

PTF

Vol. XXVII, No. 3

March, 1925

# CREDIT

## MONTHLY

*The National Magazine of Business Fundamentals*



*Piracy Threatens The Seas of Credit*

See Page 9

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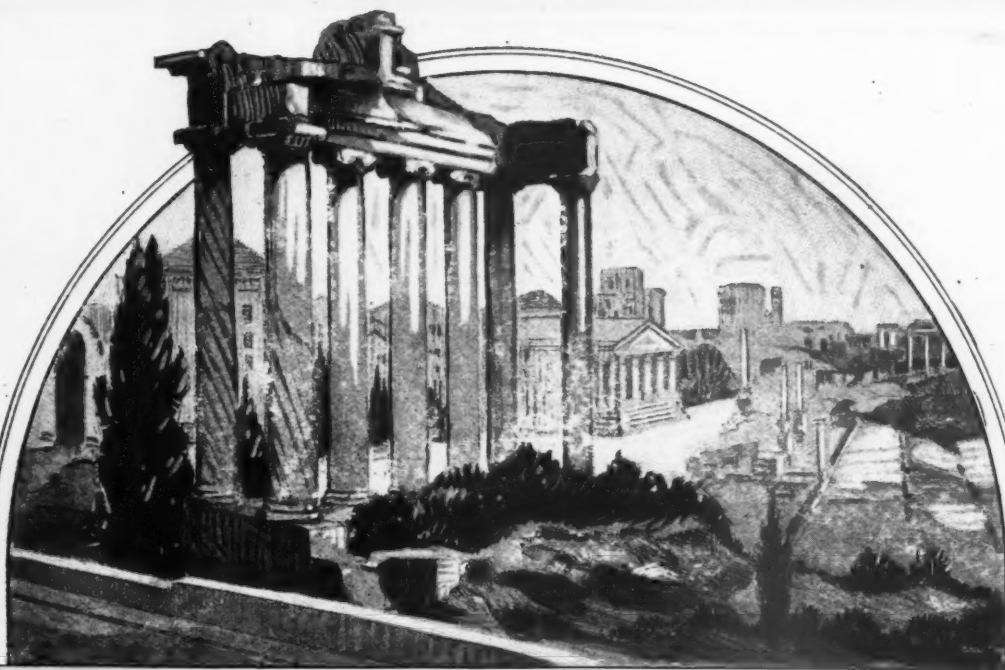
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### With the Editor

THE greatest task ever undertaken by a commercial organization in the entire history of this Nation's commerce—that is how the drive for the \$1,000,000 FUND FOR CREDIT PROTECTION has been characterized.

Do you wonder that the CREDIT MONTHLY is giving a great deal of its limited space to the subject?

cCc

ISAAC DEUTSCH is one of those men who seem to thrive on responsibilities. Not satisfied with being, (a) an important factor in Steinfeld, Inc., N. Y., (b) a vice-president of the New York Credit Men's Association, and (c) the editorial supervisor of the CREDIT MONTHLY's current series of articles on Office Mechanism, he proceeded not long ago to get married. May they both live long and prosper!

cCc

PARTICULARS about the Thirtieth Annual Convention of the National Association of Credit Men, to be held in Washington, D. C., June 8-13, will appear in the next two numbers of this magazine.

Every patriotic American who has visited the Nation's capital wants to go there again; those who have never been, want to go. This should tend to make it unanimous! The Convention Committee, headed by National Director W. C. Hanson of the E. G. Shafer Co., Washington, expect a larger attendance than at any previous Credit Congress.

cCc

Let me acknowledge publicly my appreciation of the courtesy of those who have so kindly sent in copies of the scarce May issue, as requested in a recent paragraph. Our files are now complete, thanks to them.

cCc

What, in your opinion, is the best contribution to this issue of your magazine?—What?—Very well, tell me the worst!

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(Member, Audit Bureau of Circulations)

RODMAN GILDER, Editor

WILLIAM WALKER ORR, Consulting Editor

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A. I. from a Fire Protection standpoint. Water supply satisfactory; fire cut-offs properly designed and placed; every special hazard segregated; sprinklers standing vigil—every step has been taken toward elimination of the possibility of damage by fire. And naturally, rock bottom insurance rates are in effect.

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## The Man Who Sheds Work

**A**MONG real workers there are two important classes—those who absorb work and those who shed work.

*Observe the Work Absorber:* He seldom gets to the bottom of his ATTENTION basket. He keeps his stenographer sitting idle between letters. He wastes his assistants' time in waiting to get decisions from him. He is usually late in dealing with those men to whom he reports. He has a file of magazine articles, circulars and reports marked TO BE READ that should be labelled NEVER TO BE READ. He has no time to take part in the work of his trade or professional organization. He gives the impression of haste without speed in all his work and even in his correspondence. He often telegraphs when he might have written. He believes himself too busy to take a day off and plan definitely how to catch up and stay caught up with his work. He acquires the suicidal habit of regularly taking routine work home. He trusts his helpers so little that he destroys their initiative and pride. He is so tied up in details that he has no time to train his successor. And when promotion comes along, he is passed by.

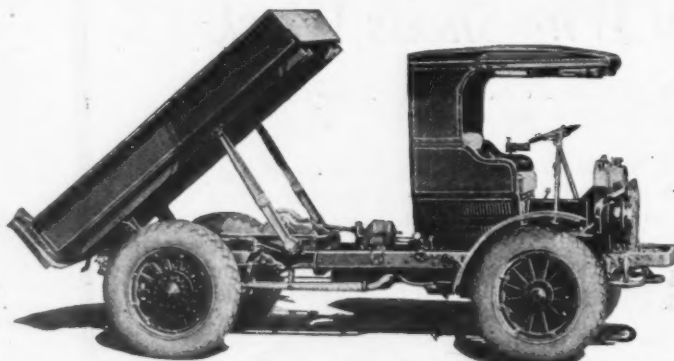
*Observe the Shedder of Work:* To do anything that a lower-paid subordinate can do as well as he can—he regards as a business crime. He trains his stenographer to be a secretary, his clerks to be assistants. Because his mind does not fumble, he makes decisions with calmness and dispatch. He often anticipates a request for facts or figures about his department. He sees that his ATTENTION file is empty most of the day, and that few papers ever get into the file marked PENDING. He has time to talk with his associates and with visitors, but knows how, without offence, to shorten every interview. He generally uses his brief lunch period for a change of subject. The work he takes home nearly always pertains to the company at large or to the job of the man ahead of him in the organization. He reads judiciously. He has a wide acquaintance in his trade association. And when there is promotion in his company, it is he who moves up.

The Work Absorber is definitely limited in progress. The great rewards of business go almost invariably to the Man Who Sheds Work.

*Robtman Gilder*

Editor.

Everyone can visualize the many advantages of a sturdy, short, compact chassis for business:



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# CREDIT

## MONTHLY

Vol. XXVII

MARCH - 1925

No. 3

## Uncle Sam to the Rescue

### How a Salesman Saved His Job

By M. L. Hayward

**H**ENRY HALBERT'S \$1,200 ten-day draft's back, dishonored," the assistant reported.

The credit manager of the Roscoe Wholesale, Incorporated, referring to a visible card index, said,

"Halbert's a retailer in Juniper, Tennessee, and this draft covers his first order."

"That's correct," the assistant agreed, "and he's in Harry Ferguson's territory."

"If I remember rightly, I was not at all favorably impressed by the new customer, and at first refused to pass the credit, but finally did, against my own better judgment, and on the strength of a favorable report from Ferguson."

"Yes, Harry reported that Halbert was building up a snappy trade, and that he was a good credit risk."

"And now we see just how good he is," the manager grumbled.

"Ferguson's judgment is generally pretty good," the assistant suggested.

"Generally" isn't good enough. We can't afford to lose a single dollar unnecessarily, the way conditions are right now."

"This is the first bad break Harry's made this year."

"And it's going to be his last," was the grim reply. "Where is he now?"

The assistant referred to a sales map and located a blue pin.

"He's due at the Fairfax House in Memphis at 4.30 P. M. today."

"How far's that from Juniper?"

"Not over ten miles."

The credit manager picked up the telephone and held a brief and friendly conference with the sales manager. Then, hanging up the receiver, he said:

"Send Ferguson a wire that it's up to him to see Halbert and get a settlement before he comes back. Better add an intimation that if he fails to collect he'd better have his resignation written out, so as to save time."

"See Halbert, get settlement disdraft (the company code word for dishonored draft) twelve hundred, if you value your scalp," was the actual wording of the telegram which the assistant sent off on his way to lunch, nor did his telegraphic activities cease with the official message.

"Harry's judgment's generally pretty good on credit cases, and I'm going to take a chance," the assistant assured himself, and sent another wire to Halbert, the debtor, as follows:

"Our credit department is in air over your dishonored draft. Ferguson, at Fairfax House, Memphis, this afternoon. Please locate and arrange or he is fired," the second telegram read.

The "afternoon hobo" crawled into Memphis half an hour behind time. A drizzling rain added to the general discomfort, and Harry Ferguson climbed into the Fairfax House coach in a corresponding frame of mind.

"Telegram for you, Mr. Ferguson," the clerk announced, and flipped the yellow envelope across the desk.

While the salesman was reading the telegram, Henry Halbert sat in his office and moved the mental chessmen on his miniature business board.

"That \$1,500 check from Broad & Benson by good rights ought to go to the Roscoe people to cover that draft I had to let go back the other day, but I'll wire 'em to draw again at sight, and send this check to the Harmon Wholesale Company to cover that last order of mine. That'll make sure of a quick shipment and give me the spot cash discount," Halbert mused, as he endorsed the check and put the letter containing it with the outgoing mail. The "boy of all work" took it to Uncle Sam's post office.

"Guess I'd better call up the Harmon people, tell 'em I've mailed the check, and ask them to rush that order," Halbert decided. But when he got them on the wire the manager explained:

"Sorry, but the Harmon Wholesale went into liquidation today, and I expect to be appointed trustee."

"Then you can't ship my order?"

"Certainly not."

"But I've just mailed you a \$1,500 check on account," Halbert blurted out.

"Sorry, but you'll have to rank as an ordinary creditor for that."

"Can't you mail it back to me, since you can't deliver the goods," Halbert demanded.

"Sorry, but that's out of the question. I don't know what the law would be on a point like that, but I'm taking no chances," the manager averred.

And then Halbert's boy returned from the post office with the self assurance that comes of an accomplished task.

"I don't suppose by any possibility that you've been to a ball game, and forgot to mail those letters?" Halbert queried.

"I certainly did not," the boy assured him.

"Any other time you would," was the grumbling reply.

"And I was coming by the telegraph office and got a wire that'd just come in for you. Saved a second trip," said the boy, handing over the telegram from the assistant credit manager. In consequence of this message thereof Halbert got Ferguson on the telephone while the disgruntled salesman was trying to charter an automobile to take him to Juniper.

"I've just got a wire from your house," Halbert began.

"So've I," Ferguson averred.

"Come right down, and we'll discuss the situation," Halbert suggested.

"I'm leaving just as soon as I can get a car."

"I'm in a deep hole of my own digging, and—"

"So'm I," Ferguson agreed.

"But if you can pull me out, it will save both of us."

"Well, I'll be there as soon as I can, and do the best I can after I get there," said Ferguson heartily.

An hour later Ferguson was in Halbert's office, and the worried salesman showed the harassed merchant the assistant's telegram.

"Now, you see the situation," Ferguson explained. "According to that telegram—and the assistant, being a friend of mine, no doubt toned it down quite a bit—you see it's up to you to write me a check—or for me to write my resignation."

"Sorry, mighty sorry, but it's impossible," Halbert declared, and explained the Harmon Wholesale situation.

"It's up to us to get that letter back, by hook, crook, or strategy," Ferguson maintained.

"Ever study law?"

"Never did."

"Well, we got quite a smattering in  
(Continued on page 25)

# Millions

## For Defense or for Tribute -- Which?

**M**ORE than a century ago Charles Coatsworth Pinckney voiced the sentiment of a nation in the immortal words "*Millions for defense but not one cent for tribute!*"

The Boston Tea Party is but another example of this same spirit which illustrates so clearly the right thoughts and feelings of an independent and honest people. American history is full of such examples. Whenever there has been a danger threatening the country, either from without or within our borders, the Nation as a whole has given unstintingly of its resources to combat the menace.

The raising of National Fund for Credit Protection, which means combatting the credit crook on a nation-wide scale, is but another healthy attitude of the people's mind toward our Nation's prosperity. The success of this movement is assured if honest business men all over the country would sooner give generously to a movement which has as its purpose the extermination of a national evil rather than to pay a yearly tribute, however small, and thus tolerate this evil.—*To accept credit crime in commerce is to condone it.*

No matter what our annual losses are, until we actively combat the credit crook we are paying him a yearly tribute and are making his nefarious trade possible. Yet there are those who will ask what this tribute is.

### *What Is Credit Loss?*

Credit loss is the dollars and cents we lose in the actual theft of merchandise which has been purchased but not paid for. It is the dollars and cents we have to charge to the increased overhead of merchandising due to credit losses. It is the orders and business we lose through not daring to extend credit because of the fear of credit crooks. It is the orders we miss because a merchant sells stolen goods at reduced prices on our market and we are unable to compete honestly. And added to all this there is the moral loss which means the stagnation of commerce,—for without moral responsibility a firm's balance sheet is next to worthless as a guarantee.

Too frequently we have assisted the credit crook by compromise settlements and in so doing we are making his success and getaway possible. We are leaving the road open for him later to tap one of our best customers for a substantial loss. Can safety and immunity from the credit crook be bought so cheaply through individual interests?—'Praps,—'praps not!

Regardless of what our opinion may be on this point, we face the fact that not less than a *quarter of a billion dollars a year* is being lost to American business and the soundness of the whole structure of business is being undermined by the credit crook. The loss through lack of faith,—which lack is gradually increasing through the fear of credit fraud and consequently the loss of a greater volume of business,—is beyond estimating.

### *"Render Unto Caesar!"*

The credit executives of the Nation are and should be recognized as the guardians of business confidence and good faith. This yearly and gigantic credit loss is *our* responsibility toward America's prosperity. We are trained and equipped to accept it.

The problem cannot be placed at another's door. It is the business of the Nation's credit men to make credit business safe. The American people are asking this question of us today—

*"Which is it going to be, millions for defense or millions in tribute?"* As credit men, the answer lies with us.

Every one of the fifteen cities approached on this subject has shown a vital interest in it and a unanimous willingness to do its share to the fullest extent.

An adequate demonstration of the enthusiasm with which this plan has been received is evident by the fact that five of the cities, which were assigned quotas toward the campaign's goal, voluntarily increased their quotas. In so doing these five groups of credit executives in important centres assumed a far greater responsibility and share in the work of securing the National Fund for Credit Protection.

*"It is the certainty rather than the severity of punishment that is crime's greatest deterrent."*



## *Piracy Threatens the Seas of Credit*

Though the picturesque pirate is a thing of the past, our national commerce is again threatened by a modern buccaneer,

### *The Credit Crook*

This commercial pirate is costing American business not less than \$250,000,000 annually. He is making it difficult for the honest man to compete fairly in business. He is making the consuming public pay more for their merchandise and finally, he is seriously threatening the stability of the whole structure of business.

### *The Seas of Credit Must Be Safeguarded*

Or the whole structure of our national commerce will crumble. So lucrative has this type of swindling become that gunmen and safeblowers are giving up their former vicious practice to enter the field of credit crime. Gangs of these crooks have become nationally organized— They are expertly advised and well-financed.

### *Today, the Seas of Credit Are Unsafe for Merchandising*

It was the policing of the High Seas, the establishment of credit and good faith that made *international* trade possible—

It will be the same factors that will make *national* commerce profitable and safe.

The National Association of Credit Men is asking today a nation of honest business men to support a movement which has as its sole purpose the prevention of credit crime and the punishment of credit crooks. Only nation-wide co-operation can insure the success of this movement.

The National Fund of \$1,000,000 for Credit Protection must be raised if the stability of American business is to exist unimpaired.

Just as the business man insures his house, his life and his personal property and pays annual premiums for such protection, so also should his business, which is a definite means of livelihood, be insured against staggering and unnecessary losses.

Insure the Success of your Business by Safeguarding the Seas of Credit

**Support the National Fund for Credit Protection**



# Fund For Credit Protection

## How and by Whom it Will be Administered

By J. H. Tregoe

Treasurer and Executive Manager, National Association of Credit Men

IN ANY national undertaking which has as its purpose the stabilization of business practices and the promoting of business morality and which must receive from the public a whole-hearted endorsement of its plan, there will necessarily arise in the minds of various individuals many questions as to the purposes, management and provisions for the handling of the work. In order that the credit fraternity may gain a clear understanding of the National Fund for Credit Protection soon to be established, I feel it incumbent on me to describe the more important points on which there may be some question in the minds of credit executives.

Primarily, under the large fund it may be considered a policy of the Association to investigate every case of commercial fraud presented by a subscriber wherein its surface appearances indicate that fraud has been perpetrated. The Association will undertake such investigation even if there is only one complaining subscribing creditor. In such a case only a portion of the credit costs will be charged to the creditor. But the Association, pledged to the interest and welfare of its members, will in every case endeavor to persuade non-subscribing creditors to bear their share of the costs. Subscribing creditors who are not complainants in a given case, however, will be charged to their subscriptions. Should the cost of any one case exceed the firm's subscription the Association will continue the investigation to completion under the same conditions as have heretofore been the policy of the Association, but it is the intention of the Association to keep an account with each subscriber charging him with a share of the costs in cases handled for him.

### What Subscribers Are Entitled To

A subscription to this fund entitles a firm to the services of the Fund without additional costs until the first two units of the fund are exhausted or until a subscription to the fund has been used up. It is obvious that the National Association of Credit Men can not make itself liable for the service of investigation and prosecution under the proposed fund for an indefinite period of time. If, after the formal period has expired, a firm has used none or only a part of its subscription, and then makes a complaint, that firm will be asked to contribute to the costs of such a case.

As a general rule a formal complaint must be filed before a complaint will be investigated, though as at present when conditions make it wise and when suspicious circumstances are noticed, the National Association of Credit Men will proceed to investigate before formal complaint is filed. All labor and expense in connection with every case undertaken will be assumed by the Association, although, of course, they will call upon the complainant for statements, affidavits, and other help which can be given. This includes the payment for lawyers, accountants, and other incidentals and particularly for presenting cases in the state courts.

The National Fund for Credit Protection will not become a part of the general funds of the Association but will be kept as a separate fund. The Board of Trustees will be responsible for the care and administration of the fund. The Trustees will be appointed by the Board of Directors of the Association, and the executive direction of the Fund will be under the direct supervision of the Executive Manager. The decisions as to acceptability of cases will become the responsibility of the Administrative Committee, this to be appointed for each district. These administrative committees will be appointed by the Board of Directors of the Association.

The executive direction of the work to be carried on in each district will be undertaken by the district managers who will be appointed by the Executive Manager of the Association. Hereafter creditors who wish to have cases investigated will file their complaints with the resident investigator or with any one of the three divisions or with the Executive Manager. These will be investigated at once if conditions require it, being presented to the Administrative Committee for approval. Other investigations will be taken up afterwards by the Administrative Committee. The procedure in force now will continue to non-subscribing members.

The Association has never felt that it will be unable to fulfill any of the promises which it makes in connection with the enlarged work. In undertaking this responsibility the Association is governed by an intensive experience of eight years and it is not undertaking any work for which it will not be equipped, nor making any radical departure from general procedure maintained in connection with the work of credit investigation and prosecution. It is merely enlarging the work now in execution and offering a more efficient and adequate service to members in this respect. Only the high spots of management and administration in this large work have been touched on in this statement. But there is in the course of preparation a booklet which will take up virtually all of the questions bearing on the National Fund in its relation to both individual members and local associations. In this booklet these will be clearly defined and enlarged upon. For it is the purpose of the Association to make clear to every member all points on which there may arise doubt or divergent opinions. Every member of the Association is urged to become intimately acquainted with every phase of this work in order that the Fund may function more profitably to the greatest proportion of its members.

## A Prosecution Case

### Mayer Levine Goes to the Pen

By William Gregg

ON January 23, 1924, the Duluth Jobbers Credit Bureau filed a complaint for some of the creditors with the Investigation and Prosecution Department of the National Association of Credit Men. The complaint was accepted by department manager C. D. West, a skilled investigator assigned to the case, and interesting developments rapidly ensued. The debtor was Mayer Levine.

Upon the closest questioning of the creditors, no financial statement of Levine's could be found. It looked as though the creditors had accepted his credit and given the debtor goods without asking for financial statements. It was found by the investigator that just before the bankruptcy, and when the debtor had received some full shipments of merchandise, a fire occurred that was not without suspicious elements.

In settlement of the loss Levine received \$3590. Of this sum, it was discovered that the debtor had deposited with a relative \$3500. This relative evidently became frightened, and turned the money over to the Trustee in Bankruptcy. The Trustee

in the case was E. G. Robie, Manager of the Duluth Jobbers Credit Bureau. The investigator's work was greatly assisted by Mr. Robie, who worked very faithfully on the case. Much credit is due him for the outcome.

When things became very warm for the debtor, several of his friends and relatives approached the Trustee and offered to settle his indebtedness in full upon condition that he would not be prosecuted. These offers were consistently declined by the Trustee.

Though no other concealments were discovered, upon the presentation of the facts, the Federal Grand Jury indicted Levine. He pleaded guilty at his trial, on January 15, 1925, and was sentenced to one year and six months in the Leavenworth penitentiary.

The costs incurred in this case amounted to \$243.30, of which creditors contributed \$114.32.

Nothing spectacular—just an effective piece of investigation and prosecution work carried through by a competent Association department.

# Jim Walton Pulls a Double Play

By Frank R. Otte

"ARE you serious?" Jim Walton leaned back and lit a cigar. He asked the question of Dick Blair, his Salesmanager, and in his voice there was just a trace of sarcasm. The proposition seemed too preposterous—the idea of a Credit Manager going on the road. It was silly, to say the least.

"Never more serious in my life, Jim," Dick Blair retorted warmly, "Dent's one of the best scouts in the world. But the Chief's worried, and I'm worried about all these cancellations. And I dare say you're not feeling any too good about them yourself."

Walton nodded. "Right-o. I've lost some pretty commissions in the last few months on account of that little pink slip. But, b-e-l-i-e-v-e me, since that affair with Eaton & Stone, I'm laying off all complaints. That set me back five hundred bucks," he said, pausing to blow a smoke ring into the already cloudy atmosphere of Blair's office, "and I'm still wondering when the good ship'll come in to bring them back."

"Yours isn't the only complaint," Blair interrupted. "There have been others. Six weeks on the lonely road can teach any man, especially, I think, a credit man."

Jim Walton "CHEER UP," HE SANG OUT; "NOTHING LIKE A JOB TO KEEP ONE HAPPY OUT HERE IN THE OPEN." leaned forward. For a moment he remained silent playing a tattoo on the desk with his fingers. The idea began to appeal to him. And then—"Let me get you straight," he said. "For three weeks you want me to play nurse to Paul Denton?"

"Exactly—call it that if you want to. For three weeks I want you to lug Dent over your territory, bag and baggage. In that time, teach him all you can about selling, and don't hesitate to rub it in—bum hotels, home-sickness—the whole works that make you fellows blue. Then turn him loose in some section that's pretty tough. We might say Madison County." Dick winked, as he registered a subtle smile.

"I get you. Leave him there—eh? Three weeks of the sad, sad trail where the pink slips fall like rain drops when my orders come sailing home. So it's the pink slip territory you want him to work in for the most part?" said Walton.

"Precisely. I want him to get next to some of those folks who receive the nice collection letters. He'll learn a lot about human nature."

"I'll say he will. But what will Denton think about all this?"

"We'll leave that to the Chief. It's a good time to strike. Dent's been doing some sermonizing lately about the stuffiness of an office job and the cinch our knights of the road have out there in the great open spaces where men are men." And Dick laid his hand on Jim's shoulder, while they both laughed heartily. And then, as Jim turned to go, he raised a warning finger. "But remember," he said,

For an hour after the miserable supper, Denton sat moodily in the dingy lamp-lit parlor. One cigar followed another as he silently rubbed his fingers over the dusty, red plush upholstery which was worn in places like the hide of a venerable goat. When Jim returned from his walk around town, he laughed in spite of himself. Denton's gloom was as dense as the dark forbidding hallway he had just passed through.

"Cheer up!" he sang out. "Nothing like a job to keep one happy out here in the great open spaces." It was a mean thrust and his companion received it with a grunt. Without further comment, Jim

opened his brief case and spread his papers on the rickety desk. In his eye there was a merry twinkle as he turned to Denton with a handful of orders.

"By the way," he ventured, "there's one thing you haven't tackled yet and that's the reports. Suppose you spend a quiet evening making out a few of these so we can mail them to the office in the morning. Anything you need to know? If not, I'll run across the street and shoot a little Kelly."

And again Denton only grunted.

At eleven o'clock when Jim returned, he cautiously peeked into the parlor. Peering through the haze, stag-

nant tobacco smoke and fumes from the old-fashioned globular oil lamp, he made out the bent shoulders of Denton as for a moment he watched him struggling through the mass of papers which littered the chairs, floor and desk where he had scattered them while laboring through report after report. Jim backed away when the effort to control himself became too great. Halfway up the winding stairs, he burst into a smothered chuckle.

"The salesman's revenge!" he roared, as soon as he reached his room. "That'll teach him some tricks about paper work."

Several hours later he woke up with a start. Someone was rapping and, stumbling through the dark to respond, he recognized Denton's "Say, have a heart," coming over the transom in a querimonious accent.

He opened the door hastily and Denton stumbled in from the pitch black hall. "Fine trick to lock me out!"

(Continued on page 26)



# Book-keeping Devices

## Which Modernize Credit Department Routine

By Isaac Deutsch

Steinfeld, Inc., New York

**T**HERE is not much to say these days for the traditional three R's. Reading at the present time is still essential for the man who is going to progress—although in another generation the radio may remove the absolute need for this accomplishment—but what is the use of 'writin' and 'rithmetic when typewriting machines surpass in legibility and speed all that years of practice in a copy-book could achieve, and computing machines can add endless columns of figures without getting dizzy and multiply without once faltering over  $9 \times 9$ ? Then, there is the machine which is a combination of the two—the book-keeping machine, which, at one stroke of the inventor's genius, threw into the discard the once-cultivated clear Spencerian hand and discouraged the "head for figures."

The book-keeper as a character, tall and thin, bent from leaning over his spread-out ledgers—a little bald from scratching his head over the trial balance ghost, a little worn from the first-of-the-month deluges—is gone. Blithe young women, with nimble fingers and unworried minds, seated at machines, have taken his place, and Business has accelerated its pace, notwithstanding there are fewer clerks for the same amount of work done.

Today, the book-keeper supervises. The book-keeping machine is so extensively used now, and is so important if a business is to keep in stride with the times that one sometimes forgets there are still many, many offices whose accounting departments limp along with the hand posting system, subject to countless errors; and that there are not an inconsiderable number of small firms whose entire book-keeping consists of two hooks, one for paid and one for unpaid bills—the condition of the business being decided by which of the two hooks is more filled—

accounts receivable being kept by slips impaled on another hook.

As long as such conditions as these exist among his company's customers, the credit executive is going to have more uneasiness than is his due, for there is no doubt but that the concern whose books are in shipshape order is a better risk than the one which is still doing business in the same old way. However, efficiency like charity, begins at home, and the credit manager will first make it his business to see that his own organization adopts the most effective accounting methods.

The era of book-keeping machines has been of prime benefit to the Credit Department in making all information as to accounts more accurate and more quickly available and in making collections prompt—because statements get out on time, whether they are made out as the ledger is posted or separately. Furthermore, all operations concerned with accounting have been speeded up.

Machines have been brought to a marvelous state of efficiency. Electrical operation gives the greatest mechanical ease; special devices guard against error in copying a wrong figure; proof may be automatic; extensions may be posted automatically; one operation completes all necessary posting. And yet, further improvements are being contemplated.

If these things keep up, the credit man will soon have time to take up golf. Certainly no one in an organization, except the auditor, benefits more directly by the installation of effective record-keeping equipment than the arbiter of credits.

The CREDIT MONTHLY has asked the users of some of the standard book-keeping machines to give briefly advantages they have found in the modern systems. In these pages is what they have to say.

narrowed the choice down to two, best adapted to our needs. The factors which influenced my final selection were lightness of operation, easy method of proof, and flexibility, particularly with regard to the typewriter keyboard which is desirable if not essential. (See illustration on next page.)

Some of the other features of our machines are: the star of proof key which proves the correct transcribing of totals; the elimination key which provides a means of eliminating incorrect figures from the adding mechanism; and the visibility of the posting and the registers. The tally roll automatically records all items posted and, as I suggested before, it does away with long hunts for mistakes.

The machines are electrically operated, and we have found that an operator can make as many as 600 postings a day, which should be enough for anybody.

Here, we do not find it necessary to post charges every day, although we do post cash daily. A control clerk is in direct touch with the operators at all times and sees to the correction of all errors. All ledgers must balance with his figures.

Without the co-operation of the Credit Department, I do not think we could have installed the present system. The Credit Manager lost something in the change—a personal touch with the bookkeeper, to which he had been accustomed—but he gained in being able to get at any moment concentrated and accurate information. Instead of saying to a bookkeeper, "Brown, has the Rattleburg Pharmacy sent that check they promised?" he can send a clerk to the R Ledger and find out in a moment how the account stands.

He has the pleasure, too, of seeing the statements go out by the second of the month instead of from the eleventh to the twentieth.

One word more I should like to add concerning our machines, and that is the service which comes with them. This has been excellent, both at the time when we installed the machines and since. And when we are in need of a repair man, we get him promptly.

To get the best use out of any accounting machines, intelligent consideration should be given to the forms used with them. That is to say, the limitations of the machines should be remembered, and the system suited to the machines' performance, rather than trying to stretch the machine to fit some system. We have standardized our stationery so that it exactly suits our business, our methods and our machines. All forms are bought from one equipment supplier and we have adapted our procedure to them, so there are no loose ends in the accounting end of the company.

## Hand-posting is to Book-keeping Machines as 17 is to 6

By R. H. Fisher

McKesson & Robbins, New York

**T**HIS firm has been doing business in the same building for more than sixty years of its ninety-one years of history, but during this time, the character of the business has veered away from that of the wholesaler of former days. As the change became more pronounced, the need for up-to-date business methods began to be more apparent, something that was not felt so keenly as long as the business moved along in the same old channels.

On the walls of the Accounting De-

partment, are still to be seen the marks left by the high slanting desks which the bookkeepers used to bend over as they sat on their tall stools. In those days, there were seventeen operators and clerks working on Accounts Receivable, where to-day, we have six in all, with many times better results.

Before the bookkeeping machines responsible for the change in our system were installed four years ago, I spent three months studying the various types of machines on the market, and finally





*A group of hand operated bookkeeping machines that effect an important saving in time*

## Accuracy and Long Service

*By John E. Horn*

Worthington Pump & Machinery Corp., New York

**A**BOUT eight years ago we decided to change our system of hand posting to the medium of machine posting. At that time we tried out one of the standard machines for that purpose but it was not successful.

We later made a change in the type of book-keeping machine and obtained very satisfactory results in speed, accuracy and the appearance of the records. The machines we adopted were not electrically driven and, although somewhat slower in operation, have proved nevertheless to be better fitted to our work. These machines are still in operation and we have maintained them in excellent condition at a minimum expenditure for repairs. This is partly the result of the careful attention given the machines by the operators.

Many improvements have been made in book-keeping machines since our present equipment was purchased, and due consideration will be given to the advances made along this line when the time comes for making replacements.

One of the advantages of our machines is that we can use them for preparing statements as well as for posting. The ledgers are divided into several sections, each section in charge of an operator who does all the posting and makes out the statements for that division. We find that familiarity with the accounts enables the operator to do better and quicker work than could be obtained by giving it to some other employee.

Statements of all open accounts are

made out once each month, and show only the open items appearing on the ledgers, as we assume that these are the only ones of interest to our customers. These statements are issued in triplicate, one copy for the customer, one for the company's Treasury Department and one for the Accounting Department for auditing purposes. The third copy of the statement contains a classification as to the due date of the account, namely 30, 60, 90, 120 days and over.

The typing of statements requires ap-

proximately five days and during this time only cash transactions are posted to the various accounts. The balance of the month is given to daily postings of all entries. At the end of each month a trial balance is taken of each section of the ledger to prove it agrees with the controlling account, and an analysis is made according to due date as noted above.

Machine posting has clearly demonstrated its superiority over hand posting as to speed, accuracy and legibility. The satisfactory results obtained from our own installation have been largely the result of the careful instruction and supervision given our operators who were originally typists.



*This well arranged department assures convenience and saves space.*

# Machines Expedite Work

By F. A. Turcotte

National City Bank of New York

**B**ECAUSE of the systems required to handle the volume in this, the largest bank in the country, the standard bookkeeping machines, built to meet the requirements of the greatest number of potential users, were found inadequate for our needs. Consequently, we undertook the task of figuring out what additional mechanism would be necessary to enable us to handle our work on ledger posting machines.

Consideration was given to the speed of machines. In order not to slow up the process of posting, a "15-bank" machine had to be specially constructed in order to accomplish greater speed than could have been obtained through the use of the standard "17-bank" model. Another problem overcome was the increasing of the capacity of the total mechanism from 9,999,999.99 to 99,999,999.99. To facilitate the daily task of taking off a certain figure from one of the several balances appearing on each account, for interest, averages and other purposes, we asked for the installation of a set of symbol keys to the right of the keyboard, to be used in

as satisfactory a way as the hand ledgers were being operated. This "Trial Horse," as it were, out-distanced the old equipment and established records which proved that the demands made upon us in the future could be handled economically and that the current work on the ledgers could be handled with fewer units. So the 24 old hand posted ledgers gave way to 19 new machines.

When the mechanical end had been definitely decided upon, we were confronted with other problems. The kind of sta-

the convenience and comfort of the book-keeper, the new desks, constructed in our own carpenter shop, were built without obstructions above the level of the machine and therefore required no artificial lighting attachments. The elimination of the high desks permits of a complete survey of the entire ledger section of the Department by the section's supervisors and the compact units of machines with their low desks present a more modern and business-like appearance.

The new mechanical posting system has many good features not found in the old one of hand posting. The new system keeps all of our accounts continually balanced, thereby eliminating the last operation of the day of striking balances for active accounts and carrying forward balances of inactive accounts. In the new way, the balances are arrived at mechani-



*The pen and ink system of posting pictured in the upper cut has been superseded by up-to-date machines which do the same work more quickly and surely.*

conjunction with the set of dates and symbols found to the left of the standard keyboard. This combination of symbols made it possible automatically to mark certain postings and balances at the time of posting. These specially marked balances with symbols appearing to the right enabled the operator easily to pick out the desired figures when taking off the miscellaneous data.

In order to overcome the ever present possibility of man made errors, a shield was devised to fit over the data and symbol keys. This shield was to be locked down so as to eliminate the possibility of the date and symbol keys being accidentally changed or restored by the operator while posting his work. Perforations in the shield over certain keys controlling the symbols made it possible, without unlocking the device, to release a symbol when other work not to be designated by the symbol was to be entered.

After careful study and deliberation, a machine, with these special features taken into consideration, was set up. This enabled us to run a dummy set of books in

tionary equipment selected to meet our needs was one that afforded the opportunity of immediate balance reference which could be best obtained by the use of ledger sheets with side punching and tumble form construction. This construction assured us of right hand balance columns, and full visibility of all entries and balances on each sheet when the bound book was opened for the purpose of taking miscellaneous data, running up balances, etc. The consideration of a suitable desk to be used in conjunction with the machine presented a nice problem, as the miscellaneous duties of a book-keeper such as sorting his work, looking for stop payments, taking off figures for interest and average balance purposes, etc., involve nearly as much time at a desk as the actual time for posting.

After experimenting, a practical thought presented itself in the form of a desk of proper height and placed to the left of the machine that made it possible for a book-keeper, without leaving his chair, to complete all of his duties with the same convenience and comfort that he was accustomed to at his old quarters. Besides

cally and the possibility of incorrectly striking a balance is eliminated. At least 30 minutes a day are saved on each ledger by this feature.

Under the pen and ink system of posting, the book-keeper had to depend solely upon his mental alertness to visualize an over-draft while posting debits to an account. In the new way the over-drafts are automatically discovered because the machine locks and prevents the book-keeper striking a balance for the over-drawn account until the total mechanism is released. Again, when obtaining data for interest and average balance purposes, the book-keeper had to make mental calculations for each account, whereas he now copies the desired figures from the ledger. These necessary figures are arrived at and marked mechanically while the book-keeper is posting his work and only balances affected by certain items are so marked. The pen and ink ledgers had to be footed daily, whereas the balances are now run by machine with a greater degree of speed and accuracy than was obtainable by mental addition.

During the process of running up these balances, a separate total is thrown at the end of every state which enables us to obtain automatically the data necessary for a correct geographical distribution of deposits. Another advantage is the elimination of the laborious task of transferring ledgers semi-annually. This transfer is now effected every four months with greater ease and a considerable saving in the cost of necessary stationery and new ledgers.

I am glad to tell the readers of CREDIT MONTHLY about these machines which heretofore have been described only for the National City Bank Club publication "Number Eight."

# Machines Overcome Strain

By Arthur C. Baillie

Home Insurance Company, New York

WE used to keep our Ledger, which comprises our accounts with our agents and our Journal, which is the collective record for our office, separately. However we might plan, there was always a great rush at the end of the month, with first attention naturally given to the completion of the office records. In spite of fast and furious speeding up, the agency ledger would drag behind, with the result that statements were sent out far behind time.

The installation of bookkeeping machines lifted us out of this monthly scramble, by making it possible to post all at once and so remove the curse from the beginning of each month.

We have saved time, eliminated the rush which is bound to cause mistakes, and

made our records much more easily and quickly available, especially for the credit man, who is also interested in the fact that the system makes for prompter collections. Obviously, we have reduced overhead, besides gaining increased smoothness in the running of the office and quicker action in getting out our statements.

Our posting is done in triplicate, although the machines are so constructed that we could make an indefinite number of copies simultaneously, if we wanted to. Because of the flat writing surface, the carbons stay in position and do not have to be inserted between the sheets for every posting. This is in itself an advantage.

The ledger sheet which records trans-

actions under the name of the agency and the Journal sheet which segregates business according to territory, have already been mentioned; the third sheet is the proof sheet which is used for checking purposes and is very useful. If a mistake is made, a comparison of this sheet and the figures made up for the operator before posting begins soon shows where the trouble is and the right figure can be found. Naturally, our books are in balance every day.

If our credit man is looking for a remittance from an agent on a certain date, according to promise, he does not need to look up the account in the ledger; he only needs to glance over the proof sheet for the day and he can see at once whether or not the delinquent has lived up to his agreement.

One of the things I can say for our machines is that the young women who use them like them. They are satisfied with the work which the machines do and the controls provided. That makes satisfaction with the new regime in the bookkeeping department unanimous.



*The installation of bookkeeping machines eliminated the monthly scramble.*

## Combination Keyboard Useful

By J. Schaeffer

Saks—Fifth Avenue, New York

WHEN Saks & Company, New York, were getting ready for business in their new Fifth Avenue store, there was one question which did not need any discussion, and that was, Shall we install book-keeping machines? I have been engaged in working on accounting problems for many years, and several years in the Saks Herald Square store gave me an experience of great value in organizing the accounting system used here.

The machines we use have the regular adding machine keyboard and the stand-

ard typewriter keyboard. Both are necessary in our accounts, because we must itemize entries and because we need the speed that the adding machine gives. To type the numbers would be too slow a process for us.

The strong points of the machines are speed and simplicity of operation. I have indicated already how the speed is made possible. The operator types in a description of an article, then the necessary extensions are quickly made by means of the electrically operated adding machine. With

regard to simplicity, I can say that it is only necessary for a girl to know how to type to learn quickly the operation of one of the machines we have installed.

This is an important consideration when you think of the possibility of turnover in operators and the number of our accounts.

Our system is a very simple one, devised to avoid all complications possible. Every ledger must balance every day with the pre-determined totals which are prepared by the auditors. Usually, we are able to begin posting for the previous day by noon-time, sometimes before. The only two sheets used in the machine are the ledger and the customer's statement. These are all that are necessary, because the daily totals provide the check. Every operator must balance with this total at the end of her posting. [Turn to page 32]



# Time and Costs Cut in Half

By C. W. Cromwell

Lasher & Lathrop Co., N. Y.



The work which formerly required the time of the equivalent of two and a half operators is now done by one operator with this up-to-date machine.

**A**LTHOUGH this wholesale and jobbing business was started in Civil War times—and has been selling paper to publishers, printers and advertising concerns ever since—we make every attempt to keep abreast of the times. We have, for example, what we believe to be a thoroughly modern bookkeeping system.

As in every concern which handles a large number of accounts, bookkeeping is a serious problem to be solved. We are constantly on the alert to keep our methods up to the highest standards of efficiency.

Where we formerly required the time of the equivalent of two and one-half clerks to handle the posting of ledger accounts and the preparation of monthly statements, we now require the entire time of only one girl.

One small section of the office is occupied by the bookkeeping division. The bookkeeping machine is practical in size. It is about 2½ feet long and its height is designed to give the worker, who sits at the machine all day, as much comfort as possible.

It has a sloping keyboard, compactly and conveniently arranged, which was built to meet the particular needs of our concern.

Our ledger accounts are divided into four groups—A-D, E-K, L-O and P-Z. A set of keys is so marked

on the board. The machine accumulates totals of the amounts posted in each group. Other keys indicate on the sheet special classifications, for example: Csh. (Cash), Dir. (Direct), Indir. (Indirect), Mds. (Merchandise), C. & D. (Cash and Discount), SPC. (Special), N. S. (Newark Special), Int. (Interest), D. C. (Debit Cash Book), and J. R. (Journal).

At the same time that entries are made on the ledger cards, statements are made. In addition a proof sheet is printed which gives a record of all entries that are made and serves as a check back on them. We use this proof sheet as a cash book and journal.

The names of our accounts are struck off on the statements by an automatic addressing machine, and from there they go direct to the girl operating the bookkeeping machine.

On her right she has a file of all the ledger cards and statements and she withdraws both at one time, making the entry on both the card and the statement, returning them to the file again as soon as the entry has been made. By using this method the ledger file is always complete and stands ready at all times in case there is occasion to refer to it during the process of making these entries.

We turn out a minimum of 700 complete postings a day. Our old method required us to use an adding machine to find the totals. This consumed a great deal of time which is now saved, because this new machine automatically proves totals and checks back as well. It proves up the old balance as well as the present posting.

(Continued on page 41)

Form 34

X Y Z Press  
99 Smith St. New York, N. Y.

DATE	CHARGES	CREDITS	BALANCE	DEBIT	CREDIT	PAID NUMBER
1-1-25				*** 540.50		
1-1-25	** 5.51		** 540.50	*** 546.01	Mds 178	10
1-8-25	** 9.07		** 546.01	*** 555.08	Mds 292	10
1-10-25	** 1.63		** 555.08	*** 556.71	Mds 721	10
1-12-25	** 7.60		** 556.71	*** 564.31	Mds 804	10
1-12-25	** 2.05		** 564.31	*** 566.36	Mds 830	10
1-15-25	** 3.89		** 566.36	*** 570.25	Mds 1053	10
1-15-25	** 4.86		** 570.25	*** 575.11	Mds 1442	10
1-15-25	** 3.67		** 575.11	*** 578.78	Mds 62	10
1-20-25	** 1.59		** 578.78	*** 580.37	Mds 2183	10
1-20-25	** 4.86		** 580.37	*** 585.26	Mds 1991	10
1-23-25	** 6.46		** 585.26	*** 591.72	Mds 115	10
1-23-25	** 159.93		** 591.72	*** 751.65	Mds 2702	10
1-24-25	** 3.80		** 751.65	*** 755.45	Mds 2929	10
1-24-25		** 78.71	*** 755.45	*** 676.74	Csh 237	36
1-26-25	** 20.55		*** 676.74	*** 697.29	Mds 2965	10
1-26-25	** 1.48		*** 697.29	*** 698.77	Mds 3222	10
1-29-25	** 25.05		*** 698.77	*** 723.82	Mds 3617	30
1-29-25	** 20.92		*** 723.82	*** 744.74	Mds 3618	10
1-30-25	** 7.46		*** 744.74	*** 752.20	Mds 3680	10
1-30-25	** 8.55		*** 752.20	*** 760.75	Mds 3788	10

Form 34

**LASHER & LATHROP**  
Super Merchandise  
10 to 15 Days System  
Debit

TERMS OF SALE - 30 Days  
CASH DISCOUNT - 2% ON ALL ORDERS PAID ON OR BEFORE THE FIFTH OF THE MONTH FOLLOWING  
CASH DISCOUNT - 1% ON ALL ORDERS PAID ON OR BEFORE THE FIFTH OF THE MONTH FOLLOWING  
CASH DISCOUNT - 1% ON ALL ORDERS PAID ON OR BEFORE THE FIFTH OF THE MONTH FOLLOWING

X Y Z Press  
99 Smith St.  
New York, N. Y.

THE SIGNATURE OF YOUR ACCOUNT FOR THE PRESENT MONTH IS ON THE REVERSE SIDE

Form 34

**LASHER & LATHROP, INC.**

DATE	CHARGES	CREDITS	BALANCE
1-1-25			*** 540.50
1-1-25	** 5.51		*** 546.01
1-8-25	** 9.07		*** 555.08
1-10-25	** 1.63		*** 556.71
1-12-25	** 7.60		*** 564.31
1-12-25	** 2.05		*** 566.36
1-15-25	** 3.89		*** 570.25
1-15-25	** 4.86		*** 575.11
1-15-25	** 3.67		*** 578.78
1-20-25	** 1.59		*** 580.37
1-20-25	** 4.86		*** 585.26
1-23-25	** 6.46		*** 591.72
1-23-25	** 159.93		*** 751.65
1-24-25	** 3.80		*** 755.45
1-24-25		** 78.71	*** 676.74
1-26-25	** 20.55		*** 697.29
1-26-25	** 1.48		*** 698.77
1-29-25	** 25.05		*** 723.82
1-29-25	** 20.92		*** 744.74
1-30-25	** 7.46		*** 752.20
1-30-25	** 8.55		*** 760.75

PAY ONE AMT. Sept. 82.61 Nov. 135.51  
Oct. 50.25 Dec. 181.46  
Dec. 11.96

The ledger card above shows the status of the customer's complete account. The statement opposite is filed with it and entries are made on both cards as transactions occur. The back of the statement, as pictured in the lower right hand corner, is used so that current items, balances and past due accounts may be seen at a glance. AT THE TOP the same statement is shown folded and ready for insertion in window envelope.

# Where Credit Cannot Flourish

## A Strictly Cash Business of Over \$5,000,000 a Year

By Alfred B. C. Batson

**S**UPPOSE a credit executive on any fair day leaves the headquarters office of the National Association of Credit Men, 41 Park Row, New York, walks across City Hall Park and takes the elevator to the top of the Woolworth Building; suppose he looks to the south, past the Statue of Liberty: He will notice, off the coast of New Jersey, a dark smudge on the surface of the ocean.

There are many such smudges in the vicinity, and perhaps he would fail to notice anything to arouse curiosity. This smudge, however, is different from the others in that it is always there,—some days larger, some smaller,—but always there.

If he went to locate the smudge and investigate it, as I did, he would find it the center of a thriving trade whose reasons for existence are the Eighteenth Amendment to the Constitution of the United States and the Volstead act.

In short, he would find a section of the far famed Rum Fleet, that rides at anchor outside the twelve-mile limit within which it is illegal to bring beverages containing more than one-half of one per cent. of alcohol.

It is a fleet of weather-beaten freighters, large and small, flying the flags of various nations. The last time I visited the fleet, it included one beautiful square-rigged sailing vessel, a Scandinavian barque, that seemed out of place in this motley crowd. Perhaps she had seen better days.

Vigorous action on the part of the government bids fair to wipe out the entire fleet in the near future.

There is no way to estimate with accuracy the amount of gross business transacted by rum-runners off the coast of New Jersey; yet it is a dull fortnight that does not see the arrival of at least one ship with a cargo worth not less than \$200,000, and the departure of another ship to return later on a similar errand.

After a talk with some of the principals engaged in the profitable business of bootlegging, I have come to the conclusion that rum-running has ceased to be merely an adventure and is now a thoroughly systematized business.

This cynical disregard for a provision of the Constitution and of the law of

the land is one of the most remarkable and alarming aspects of the situation in this country today.

Now in this business, whose annual gross we can roughly estimate at well over \$5,000,000, the word credit is unknown. It is a strictly cash proposition

chase from him and are satisfied, you will come again. It is therefore to his interest to deal fairly with you.

The thing is worked in this way: Suppose (if you can!) that you are the trusted bootlegger of a group of law-breaking citizens of the metropolis. You go to this importer, who is usually a member of one or more clubs, and tell him just what you want. He quotes prices.

After an oral understanding is arrived at, you go with him to a bank and deposit the total purchase price in a two-name, joint account with him. He deposits a like amount in the same account.

As he can't get the money out without your name on the check, you feel safe. You are. At the time, it is possible that he has enough orders to complete a shipment; and a few days later sails for Europe, where he secures the goods and charters a tramp steamer to bring them over to within twelve miles of our hospitable shores.

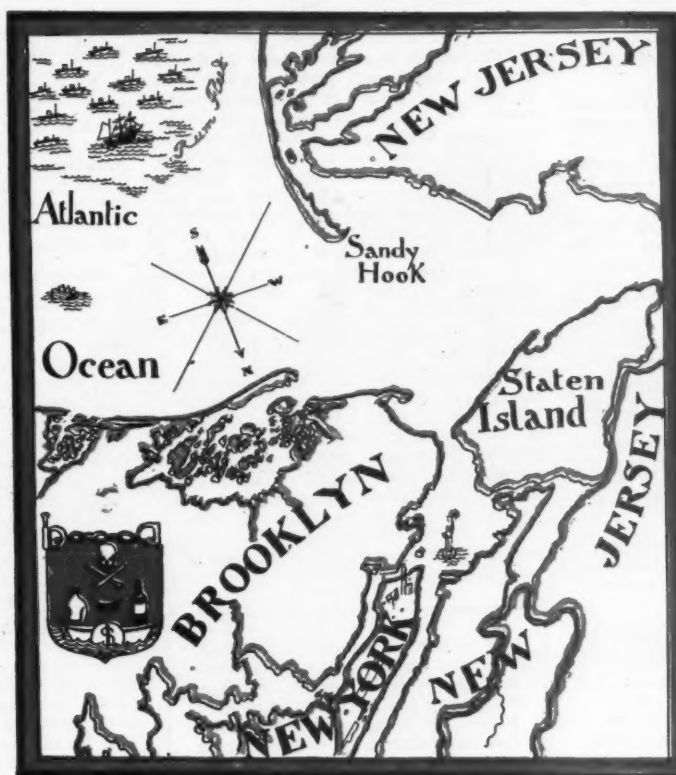
Presently you hear from him. He is back, and names a date on which delivery will be made. How he gets the liquor inside the line is a complicated matter that concerns you very little. You have enough law-breaking on your own conscience to worry about the dangers he runs. And you price the goods as high as the traffic will bear. You are paying him perhaps \$35 a case for Scotch that your customers are taking off your hands at say \$65 a case. The mark up will compensate you for your expenses and risks, and presumably give you a profit.

A few days after you hear from him, the importation is safely stored in your establishment. Your next step is to get your chemist to test the stuff. If it is found satisfactory, you assign to him the joint account in the bank. The incident is closed.

A month or so later he will turn up again, notify you that he is assembling another shipment and ask if you are interested.

All the risks he takes are not on the shore side of the line. It may happen that his steamer is held up by hi-jackers off the coast and the shipment stolen. That is his loss, not yours.

The principals in the rum fleet look upon the man who [Turn to page 36]



# A Credit Insurance Inquiry

## One Credit Manager Seeks Light from Another

By Eleanor Boykin

**T**WO Credit managers happened to meet in the New York office of the National Association of Credit men, following committee meetings. After exchanging greetings, Hobbs said:

"This is a piece of luck for me. Do you know I was just hoping to run into you or Parker or Jones. I want to ask your advice. Have you time to come into the library for a little talk?"

"I always have time to give advice, old man" answered Dobbs smiling.

"Are you thinking of leaving your firm or of investing in some in-on-the-ground-floor oil stock? Do you want somebody to tell you that your judgement is good?" he asked, as he took his friends arm and steered him into the library.

"No, I've had my dose of oil, and I am not thinking of walking out on the company, but what I want to ask you about may possibly affect my business prestige," said Hobbs seriously. "The fact is, an agent whom I have known a long time has been at me strong to take out credit insurance. You carry it, don't you?"

"Well then, maybe you can give me a little light on the subject." "Maybe I can" answered Dobbs readily. "I'm feeling a little rocky because I have just figured out what we had due on our policy last year, and I came out within \$26 of the adjuster's total. What particularly can I tell you?"

"What do I get out of credit insurance?" asked Hobbs. "It appears that I have first got to bear the same loss I'm accustomed to standing up under."

### "Normal Loss" Not Insurable

"Yes, you have. Statistics show (as people always say when they are about to tell you something you don't want to hear,) that in this republic, where at least 90 per cent of our business is transacted on credit basis, there is a certain average loss inherent in various kinds of business. This loss is not insurable, because, as you know, no insurance company is going to take a risk on a certainty of losing, any more than you'd bet on two Queens if you knew the man next to you was going to put down four of a kind.

"No matter what sort of insurance you carry, you have some kind of loss to bear yourself, 'normal loss' the companies call it. Fire insurance, for instance, may cover you as to replacement costs, but you yourself have to pay for the loss of production, profit and the continuance of your payroll.

"The normal loss is computed for every policyholder separately, being based on the Credit Insurance Manual, which prescribes the basic normal loss for houses in each line of business on the volume of annual sales, and on the policyholder's own experience over a period of five years.

"If you have been," continued Dobbs, "such a good—or lucky!—credit man that your losses are considerably below that which the Manual would indicate to be normal, you benefit by getting a 'merit'

rate; or if your losses have gone above what the Manual shows to be normal in your line of business, you are given a special rate which is higher."

"I understand," Hobbs remarked, "that a credit insurance policy is written for only twelve months. Doesn't it give you a queer, unsettled feeling, having your rate changed every year?"

### Rates May Change Yearly

"The point is that it isn't likely to change every year," Dobbs replied. "It is true that insurance companies write credit insurance for one year only, but if the first year you had this sort of insurance, your losses jumped up considerably because of some big failures, this alone would not affect your rate for the next year, if the losses were legitimate and not brought about by slack credit methods. Some houses have had their rates reduced as time went on and they continued to renew every year."

"What do you think the best sort of policy?" asked Hobbs. His friend's answer was this:

"That would depend upon the requirements of the individual policyholder. There are several forms, each designed to meet specific conditions. The most popular policy and the safest for most people, I think, is the one which affords you coverage for all amounts above your normal loss. There is a selective rating policy which insures selected accounts among the customers; but the difficulty with this is that if the rating of these

customers changes after the policy is taken out, whether for the better or worse, claims on account of them are not collectable."

"What is all this talk about co-insurance? Another catch, I suppose?"

"No, I wouldn't say that," Dobbs answered. "As you know, co-insurance is a recognized principle in insurance. You come across it in fire insurance, automobile insurance and other forms. The usual co-insurance required on credits is 10 percent of the losses on the best risks. These are two ways of looking at this: One is that the insurance company undertakes to guarantee only approximately the replacement value of goods not paid for; and the other is that the companies claim some co-insurance is always necessary to prevent unreasonable risks in credit extension.

### Doesn't Encourage Carelessness

"However, I am inclined to think that credit men don't take any more risks because of having credit insurance than they would without it. Certainly, if a man is trying to make a good record on his extension of credits, he will not want to have to defend a great many losses, even if they are covered by insurance. Personally, I forget all about having credit insurance when I am checking accounts, but after I have O. K'd a shipment, I no longer lie awake nights worrying about whether or not it is going to be paid for, as I used to. I won't deny that credit insurance keeps up my morale."

Hobbs: "How about keeping up overhead? It does that, too, doesn't it?" asked the doubting Hobbs.

"Why, every merchant adds into his overhead, which is charged into the cost of his merchandise, a certain amount to cover expected losses," the other replied, "but he can not tell at the beginning of the year, when he is making out his budget, just what this amount should be. A disastrous year like 1921, or one or two heavy failures, will upset his calculations completely. With credit insurance, he knows what he has to lose, and that his losses will not go over a set figure."

"There may be something in that," Hobbs admitted; "but I should think the delays in making adjustments, would offset some of the advantages, and the possible litigation necessary would do the same thing."

"Long delays are not the rule," Dobbs replied. "And it is not necessary to wait until the close of the year to collect for losses. At any time during the life of the policy that losses go beyond the initial loss named in the policy, a claim may be filed with the insurance company for payment. From what I hear, adjustments in credit insurance are prompter and easier than in almost any other kind of insurance. Litigation is very rare. There are only a few companies handling this kind of insurance, and they do not

(Continued on page 40)

The annual loss to commercial interests from insolvency in quarters where it is least expected is no jesting matter. That bad debt losses far outstrip losses by fire has been shown by a comparison of figures covering ten years' history in business misfortunes. How is the Credit Manager to protect himself? By extreme tightness in credit allowances? By more stringent and harsh collection methods? Is he to pursue these objectives even when salesmen allege that he is strangling their opportunities?

Credit Insurance is presenting itself as a remedy for the situation. Is it a practicable one? The number of those who have taken advantage of its protection is relatively small; yet this minority regard it as having as vital a place in the stabilization of business as does fire insurance. A discussion of the subject seems timely, and with this thought in mind, the CREDIT MONTHLY has arranged to present some consideration of policies and a report as to opinions from some experienced credit managers.—THE EDITOR.



# Friendship and Credits

## A Play Showing Credit Standards Written and Acted

By the Atlanta Association of Credit Men

When the play was given, the part of John Doe was played by George O. Jones of the Osburn-Abston Co. As this character does not appear in the early part of the play, the audience at first thought that a bona fide case was being discussed.

The scene is a meeting of the Atlanta Association of Credit Men, presided over by F. B. Ramey, of the Texas Oil Co., President of the Association.

**PRESIDENT RAMEY:** We have before us here this evening the application of a certain concern here in the City of Atlanta sent to our Secretary's office by mail, without any recommendations, such as we would ordinarily have had if the regular application card had been used.

At a recent meeting of the Acquaintance-ship Committee, I mentioned the fact that this application had been received, and certain objections were raised by some of our members. It was late, however, and we were ready to adjourn, and I explained to them that we would give them an opportunity to voice their complaints. I believe this is the logical place to do this, because this case may be a typical one of the violation of credit ethics. It might be well for the membership later to take a part in the discussion here.

To the best of my recollection, the men who raised those objections were Mr. J. H. Sutton, of J. K. Orr Shoe Co.; Mr. H. C. Nowell, of Pittsburgh Plate Glass Co.; Mr. P. M. Millions, of Ernest L. Rhodes Millinery Co., and Mr. Harry Dobbs, of Dobbs & Wey Co.

Mr. Sutton, if you have no objection, we would like you to explain the nature of your grievance.

**MR. SUTTON:** At the meeting the day this application came to our attention I recalled an instance where the credit man of this concern wrote a letter to creditors recommending a 50 per cent. compromise, which went through on this recommendation. Later we learned he collected his claim in full.

(Mr. Nowell attempts to get in a word.)

**PRES. RAMEY:** Just give Mr. Sutton an opportunity, please, to state his objection.

**MR. SUTTON:** That is an unfair practice; and I do not think we want a man

of that type in our organization. That is all I have to say on the subject.

**PRES. RAMEY:** Mr. Nowell, we will now hear from you.

**MR. NOWELL:** Mr. President, my complaint is as bad, if not worse, than that of Mr. Sutton. I had an order, and had been referred to this man's concern for reference. I called him and stated the amount of my order. While I was completing my investigation he sent one of his salesmen down and induced the customer to cancel my order and he secured the business.

unfortunate experience with the same concern. They asked us for the paying record of a mutual customer. We reported the customer slow. They gave the information to their traveling salesman, who went there and told the customer we had reported them slow. Their salesman got the business, because the customer was infuriated at our report on him.

**MR. HUDSON:** Mr. President, I am interested in knowing the name of this concern, and I think the entire assembly should know.

**PRES. RAMEY:** Are there any other members of the Acquaintance-ship Committee here who have heard complaints?

(Silence.)

**PRES. RAMEY:** Is there any objection to the name of this company being given?

(No response.)

**PRES. RAMEY:** As this is an Association matter, it would seem that every member is vitally concerned. This company is known as the Enniole Wholesale Corporation with offices over here on Marietta Street, and the application was signed by Mr. John Doe, their credit man.

**MR. HILL:** Mr. President, I hardly know just what to say. I feel like I am somewhat responsible for the embarrassment I am suffering. I met Mr. Doe coming over here tonight. He told me he had

made application and was coming to the meeting. Of course, I gladly joined him and we came here together. I did not know whether his application had been acted upon, and he did not tell me.

I have known Mr. Doe for a long time, and while he is not in my line of business, I feel sure he is of a very creditable reputation. I also know these men here tonight who have been accusing him. I had no idea Mr. Doe was the man being discussed. When we came here together I assumed his application had been acted upon. He is an old friend of mine, and I am sure his intentions were good. There must be a misunderstanding somewhere. Probably an explanation from him would straighten the matter out. Mr. Doe tried to leave the room just now, and I persuaded him to stay.

I know that in his community he stands well. He is a member of the church, and active in the Sunday School work. In fact, Mr. President, I know of an in-

(Continued on page 30)



"MR. DOE TRIED TO LEAVE THE ROOM, BUT I PERSUADED HIM TO STAY."

**PRES. RAMEY:** This is a right serious charge. The Ernest L. Rhodes Millinery Company was connected with this in some way, and we would like to hear from their Credit Man, Mr. Millions.

**MR. MILLIANS:** This particular man about whom Mr. Sutton and Mr. Nowell speak, is the same party, and the complaint I have is this: We had a rush order—as millinery orders always are. I followed my usual policy of faith in the opinion of other credit men, acted on the recommendation of this party and shipped the order. We later learned this particular party filed attachment, and attached not only our merchandise, but the other stock. I think a man who would endeavor to do things like that day in and day out should be barred from the Association.

**PRES. RAMEY:** Is Mr. Dobbs here this evening? Good! Mr. Dobbs, we will be glad to have you tell us your experience with this concern.

**MR. DOBBS:** Mr. President, we had an



# THE CREDOSCOPE

*J. V. Regoe*

## A Stitch In Time

**F**OR PROTECTION and safe guidance in judging a credit risk, nothing will ever be found of greater importance and value than the interchange of experiences. The surface appearances of a man may frequently deceive. One may appraise his honesty at 18 karat. It may be found, however, that under the surface there is baser metal. Never allow an apparently satisfactory surface inspection to overweigh actual experiences. Often there are trimmings to an order or to the appearances of a buyer that would give the impression of entire safety, if the risk were accepted. Ascertaining the experiences of others with a customer may discover that the trimmings were artificial, added for a purpose. And you can be sure that, as a general rule, what others have received at the hands of a man is what you may expect yourself.

Not long since, an observant credit executive was favored with an order from a merchant in Kentucky. The merchant furnished a signed statement, claiming a stock on hand of \$7000, real estate of \$12,000, and a total indebtedness of only \$3000. Taking the precaution to inquire through one of our Interchange Bureaus, he discovered promptly that this merchant was buying so very freely, that, despite the pleasing appearance of the financial statement, the order was declined. Not long after, this merchant went into bankruptcy with assets of approximately \$36,000 and liabilities of \$54,000.

A stitch in time saved this creditor from an unfortunate loss. If the other creditors had used the same precautions, is it not reasonable to believe that they would not have been found among the mourners?

If the commodities secured by the

merchant mentioned above were traced from their productive sources to their final consumption, it would be found that the volume added to commerce by these shipments did commerce no good.

No finer facility for appraising the intrinsic value of a credit was ever devised than the interchange of honest-to-goodness experience. Just as the weather vane tells the direction of the wind, so the experiences will give the direction of the credit, and this in the face of signs that may point in other directions. There is a gratification that cannot be denied when facilities afforded in credit work have been availed of and used skillfully.

\* \* \*

## Dying at the Top

**R**AMSEY MUIR, the British political writer, says that individual character, energy and inventiveness are the basis of national progress. From this formula I select inventiveness as the energizer of human action and the stimulator even of character.

From the days of stage coach transportation to the present period of de luxe traveling, invention has wrought progressive changes, added comfort upon comfort, increased conveniences, and wrought wonderful improvements frequently with no greater turmoil than the breaking of a new day. From the humblest to the highest worker in any enterprise, inventiveness is the mainspring of satisfaction. To do things as other people have done them, to follow precedents with the precision of common law pleadings will make one stale and will cause one to begin to die at the top. Accomplishing the same results with a little less effort or to accomplish more results with the same expenditure of effort is the task of inventiveness. It is

the human faculty that indeed makes human progress and is the stimulator of individual action.

In the work that claims our direct interest, keeping the credit flow safe for business, inventiveness holds a commanding position. On the other hand, being a victim to custom ossifies the gray matter and soon puts us in the class that is dying at the top. It is far easier to follow fixed rules and to borrow the plans of others than to blaze the trail of individual ideas and enunciate new things to the world. There are myriads around us dying at the top, merely because they have become stale in the following of established customs and have not worked out formulas and plans of their own.

The setting of every day's sun should find us just a little further advanced with our character energized, our energy sensitized because inventiveness has been permitted full play and has given a real sportsmanship to our work.

\* \* \*

## Intelligent Merchandising

**A** FETISH has been made of volume production. Commodities have been turned out in certain industrial plants year after year without any change, and on the whole as our marketing processes are closely scrutinized we may say justly that very much of our merchandizing is unintelligent.

January on the whole was a very satisfactory month in the movement of commodities but buying in numerous directions was from hand to mouth and the volume of business secured especially by some of our wholesalers, was far from their expectations.

Unless we keep our eyes open, changes will take place in the needs of consumers, and we will be unable to satisfy these needs unless our pro-

duction is brought into agreement with them. We cannot make people constant,—their ideas and tastes will change with their abilities to satisfy new requirements. In many ways, the consuming public has become more artistic. The imitation of art is usually garish, so we find a confusion of taste in our methods and modes of living.

It isn't intelligent merchandizing to foist upon people what they do not want or need; nor is it intelligent merchandizing to create new styles in popular commodities, merely for the sake of pandering to unconfirmed tastes. We are surely in a state of flux. The salesman, especially under present conditions, must be more than an order-taker. He must be observant, noting what the people are thinking about in his particular line, and either go with the tide, if it is a safe one, or endeavor to divert it into another direction if it isn't safe from the merchandizing viewpoint.

The flux in the public's ideas and tastes is responsible in the largest measure for the retail merchant's present piece-meal buying in wearing apparel and other commodities that appeal especially to personal taste.

Close attention, much closer than has ever been given the subject, must be accorded intelligent merchandizing. We are contending with over-production in some lines. We are contending also with over-expansion in some of the retailers' fields. We have problem upon problem. To handle them with the avoidance of every possible bit of waste, human, material and moral, nothing is of such great value, as intelligent merchandizing.

I do not pretend to be able to offer a formula. If I could it would be worth many millions. Only by the exercise of the ingenuity that has made this nation industrially great,—by the skill that has built up our enormous resources,—can we handle this problem of merchandising and give intelligence to our production and marketing processes.

\* \* \*

### Old-Fashioned Thrift

WE hear the term, old-fashioned thrift. Some things, however, never grow old-fashioned and thrift, I believe, is one of them. Real thrift measures our capacity and our willingness to spend and save prudently.

The ease with which luxuries or

even useful articles can be bought on weekly or monthly payments, have encouraged extravagances among many who could ill afford the indulgence; and the credit system has been over-strained. It isn't infrequent to find a wage earner these days so loaded up with articles bought on the "easy payment" plan, that when these obligations are met his pay envelope looks as though an elephant had trod on it.

We don't deprecate buying the things that give pleasure and satisfaction when there is ability to pay easily. I am amazed sometimes at prominently displayed advertisements pointing out that the engagement ring, the fur coat, the suit of clothes can be bought on a plan that will merely take a little of your easy change each week. When one falls for these seductions, the notes of the musical instrument, the brilliancy of the ring, the smart appearance of the clothes fade away as the collector knocks at the door.

Some things naturally lend themselves to installment buying, but to offer all kinds of articles on the "easy payment" plan, is not helping our economy and it drives a smashing blow at old-fashioned thrift.

\* \* \*

### Too Many Banks!

IT IS CUSTOMARY for us to look upon a bank as an institution of complete safety,—a place where our funds will be carefully preserved and returned to us whenever they are called for, or needed. *Mercantile* failures are naturally expected. Unless they are of large proportions or are unusual, no explosion of public sentiment occurs. With the *bank*, however, the aspect is different. Whenever a fiduciary institution closes its doors and is unable to meet the demands of its depositors, the public is outraged and wonders how such things can happen.

During 1924 there were a large number of bank failures,—large enough to challenge and set us thinking and to raise the question as to whether we are practicing sound principles in organizing and supporting the many banking institutions that dot our country. In one state, Iowa, there were recently a number of bank failures, not large, but for their communities very serious. Why was this? The question is not difficult to answer:

During the boom period in food

grains before the debacle of 1920, deposits increased and many of the smaller institutions showed very handsome deposits for their communities. With the debacle, deposits began to decline. This was but natural and should have been handled with the proper understanding and discretion. In order to rebuild their deposits, some of the banks offered handsome interest rates, reaching in some cases to 5 per cent. To pay these rates without using capital or reserve, it was necessary to charge high rates for the discounting of paper, and at the rates charged, a great deal of doubtful paper was accepted.

Could we probe into the real reasons for some of the recent bank failures it would be found that the administrators of these institutions lost sight entirely of safe banking practices; and many of them never had an inkling of what safe banking practices are.

Depositors were attracted by the higher rates of interest offered for deposits. The people didn't know that these rates marked the institutions offering them as unsafe for the handling of their funds. It was a little cupidity on one side and dense ignorance on the other.

With these unfortunate examples of bad banking, are we not justified once again in reaching the conclusion that in this country we have too many banks? Each community is probably ambitious for a bank of its own; but some of them are not able to sustain an institution that will operate on sound banking principles.

Are we not also justified in once again concluding that it would be far safer for us, and in many ways an assurance of our further progress, if all the banks that could meet the requirements were members of the Federal Reserve System?

Of the banks that failed in 1924 only a small proportion were members of the Federal Reserve System. This is a matter that not only touches the economic welfare of communities alone, but has a direct bearing upon the liquidity of credits, therefore affecting distributors the country over.

The best guarantee of safe credits and economic distribution is sound banking institutions. The benefits and the protection of the Federal Reserve System having been demonstrated through ten years, why should any banking institution qualified to join it remain outside?



# Fighting Unfair Competition

## Free Industry Lines up Against Prison Labor

By Frank A. Fall, Litt.D.

Director of Education and Research, National Association of Credit Men.

*ALL credit executives will be interested in the movement, described in this article, now developing in the Department of Commerce and its legislative expression in the Fess-Parker bill. Credit managers associated with the manufacture of textiles, clothing, boots and shoes, furniture and cordage have special reasons for informing themselves concerning this vital matter of prison labor competition.*

*This live, economic problem must be quickly and wisely solved if the interests of free industry in the United States are to be properly conserved.*

—THE EDITOR.

**D**EPARTMENT of Commerce conferences, United States Chamber of Commerce resolutions, the Fess-Parker bill,—phenomena such as these might seem to indicate that the danger to American industry from unfair prison labor competition had just been discovered. Such, however, is not the case. As far back as 1879 there were those who "viewed with alarm." In that year state investigation committees were appointed in Massachusetts, New Jersey and Connecticut. After investigation came a declaration, substantially to the effect that "while the product of convict labor, when compared with that of the entire mechanical industry of the nation, is insignificant, its concentration upon a few branches of industry may be seriously injurious to the citizens engaged in those industries."

This concentration, foreseen by the investigators of 1879, became increasingly threatening during the first two decades of the present century. In 1923 the garment manufacturers of the United States found themselves face to face with the fact that no less than twenty states employed all, or a considerable portion, of their workable prisoners in the production of garments. Nine states used their convicts in the manufacture of furniture. Eight states turned out prison-made shoes. All of these products were sold in open market, in competition with similar goods made by free labor under existing wage schedules and with no tag, label or other mark to identify them as prison-made goods.

The Department of Labor reported a total of 38,784 convicts employed in 21 important industries during 1923. Goods were produced for "States' use" to value of \$11,321,156. But prison production competing with free labor produced, in the same twelve month period, goods to the amount of \$43,462,518. This was divided as follows: Public account production, \$14,173,470; piece price production, \$11,023,440; contract production, \$18,265,608. In addition, there was paid to institutions during 1923, for hire of convicts, the sum of \$3,183,835.

### Garment Manufacturers Hit

Although many industries feel the harmful effects of this unfair competition, there are a few which are particularly hard hit. One of these is the garment trade; and it is not surprising that the leaders of this

industry have been very active in the fight which is now being waged.

A. F. Allison, Secretary of the International Association of Garment Manufacturers, has called attention to the fact that while the Government prohibits shipment into the United States of goods made in the prisons of foreign countries, it does not as yet regulate interstate traffic in prison-made goods produced in this country. In many cases, Mr. Allison and his associates assert, prison-made goods are smuggled into channels of distribution carrying labels or trade-marks which do not truthfully describe them as products of the prison factory.

The garment manufacturers point to more than \$11,000,000 worth of work shirts made in prison during 1923 and sold, under fancy names, to laboring men and farmers from coast to coast. The manufacture of work shirts has virtually become a prison monopoly. Alabama and Michigan make not only the shirts but the materials as well. Thus the textile mills have to face the direct competition of the prison mills, and the injurious effects are felt all the way down the line.

These facts, and many others equally significant, were brought out at a conference held at Washington on December 3, 1924, at which representatives of the textile, garment, furniture, boot and shoe, and cordage trades met Secretary of Commerce Hoover and a number of his aides in the Department of Commerce.

The manufacturers submitted that the question of prison labor competition is a genuinely serious one; that prison-made products are being sold in the market at figures below the cost of production by free labor; and that the operating deficits of the prison factories are being made up by appropriations from the public funds. They expressed their belief that there exists in the various state institutions a market large enough to absorb, for use by the States themselves, close to 100 per cent of the products of the prisons, without selling in the commercial markets at all. The use of this outlet,—asylums, prisons, state and county hospitals and similar institutions—would remove the element of injurious competition with private industry which exists under the present practice of marketing prison labor products.

### President Coolidge's Attitude

President Coolidge was quoted by the manufacturers as being in sympathy with their views, his first message to Congress having contained the recommendation that prisoners be employed in such forms of production "as can be used by the Government, though not sold to the public in competition with private business."

The spokesmen for the industries said that at the present time there is a lack of appreciation on the part of the general public of the real facts of the case; that it is considered essential that a complete and unbiased statement of such facts be made; and that for these reasons they asked the Department of Commerce to investigate the problem.

After a general discussion, the conference unanimously adopted this resolution:

"As a result of a conference held at Washington on December 3, 1924, between the Secretary of Commerce and his associates and representatives of the garment, textile, furniture, boot and shoe and cordage industries, it was unanimously recognized that the problem of prison labor products and the distribution of the same in competition with free labor is a serious one, affecting the interest of the public; and it was unanimously requested that the Department of Commerce make an impartial study of all of the facts and evolve therefrom such conclusions and recommendations as will best serve the interest of the public."

The actual work of investigation will be carried on by a committee to be selected by Secretary Hoover, on which committee will be represented all the various elements concerned in the problem of prison labor competition.

The Chamber of Commerce of the United States is also making an earnest endeavor to throw new light on the problem. In a resolution recently adopted by its Board of Directors the Chamber directed its Department of Manufacture to continue its study of the subject "in contact with those engaged in prison management and those interested in prison welfare, as well as forms of outside industries, in order to formulate a practical program of enlightened prisoner treatment without undermining the spirit of resourcefulness in private enterprises."

The resolution says further:

"The Board recognizes that an advanced social conscience demands that the first requirement of penal institutions shall aim at the maximum character improvement of their inmates. To this end, prison idleness is unthinkable. But we believe care and study can devise some proper measure both of educational training and of prison employment, the production of which shall be devoted primarily to state use and not for general sale. The Board affirms its conviction that every effort should be made to adapt prison-made production to the necessities of the state's own use, and that it would be particularly unfair to private industry unnecessarily to compete by means of state goods which are the production of involuntary labor."

### Public and Industry Concerned

Attention is called by the Chamber's Department of Manufacture to these points: *First*, that the reformation of the prisoner is of paramount importance to both industry and the public; *second*, that manufacturing in prisons up to this time has been used more as an expediency to prevent idleness than as a reformatory measure. According to the Department, very few trades which can be used by prisoners on release are taught in the prison today.

(Continued on page 44)

# Burroughs

Accounts Payable											
Name J.P. Hughes Co.,				Rating				Card No.			
Address Burroughs, Mich.				Limit							
PROOF	MEMO	FOLIO	CHARGES	DATE	MEMO	FOLIO	CREDITS	BALANCE			
846.00-	JUN 5 CS	7555	218.00					846.00-			
628.00-				JUN 20	154		65.00	628.00Cr			
693.00-				JUN 27	186		32.50	693.00Cr			
725.50-	JUL 5 CS	3656	412.00					725.50Cr			
313.50-	JUL 19 RT	3701	32.00					313.50Cr			
281.50-				JUL 26	211		36.00	281.50Cr			
317.50-				JUL 29	232		78.00	317.50Cr			
395.50-				JUL 31	243		150.00	395.50Cr			
545.50-	AUG 2 CS	3801	25.00					545.50Cr			
520.50-	AUG 22 CS	3765	45.00					520.50Cr			
475.50-				AUG 30	289		475.00	475.50Cr			
950.50-	SEP 8 CS	3787	50.00					950.50Cr			
900.50-	SEP 13 CS	3812	165.50					900.50Cr			
735.00-				SEP 27	315		25.00	735.00Cr			
760.00-				OCT 4	326		395.00	760.00Cr			
								1,155.00Cr			

## See How Simply Burroughs Handles Creditors' Accounts

1

Most balances in your creditors' ledger are credit balances. The machine prints the amount—subtracts it and places a red minus sign after it.

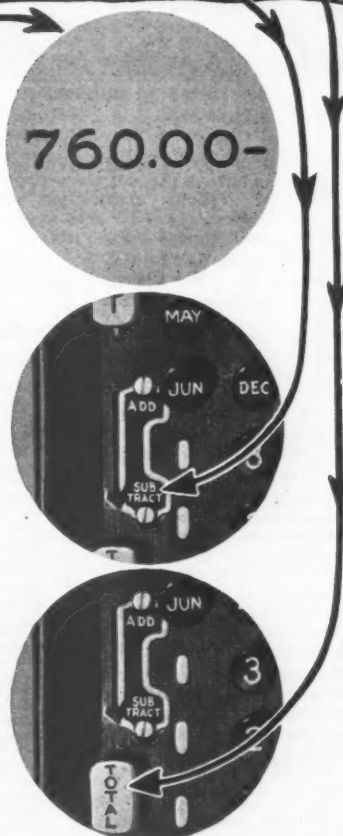
760.00-

2

All additions and subtractions are performed automatically. Correct date prints automatically. Machine tabulates to proper column automatically.

3

There's no possibility of a debit balance being taken for a credit balance. The machine automatically computes and prints the balance with a designating symbol after it. You merely depress the total key. The machine does the rest.



Burroughs Adding Machine Company  
Detroit, Michigan

Burroughs Adding Machine Co.,  
6452 Second Blvd., Detroit, Michigan.  
Please send me information about the Burroughs  
Automatic Bookkeeping Machine for Creditors' Accounts.

Name \_\_\_\_\_  
Address \_\_\_\_\_

# The Credit Congress of 1925



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AIRPLANE VIEW OF THE CAPITOL, WASHINGTON, D. C.

**T**HE Great Credit Congress of 1925—the Thirtieth Annual Convention of the National Association of Credit Men,—will be held in the Nation's Capital, June 8—13.

The Convention will be presided over by President Eugene S. Elkus, The Elkus Co., San Francisco, Cal., assisted by First Vice-President A. J. Peoples, Detroit Copper & Brass Rolling Mills, Detroit, and Second Vice-President R. T. Baden, Holland, Baden & Ramsey, Baltimore. Assisting them will be Executive Manager J. H. Tregoe.

This is the first time the Annual Convention of the organized credit men has been held in Washington, D. C. The convention cities and the Presidents elected at each convention from 1896 to 1924 inclusive, are shown in the table which accompanies this article.

The credit executives upon whom rests the responsibility of organizing and carrying through the Annual Convention are headed by General Chairman W. C. Hanson, E. G. Schaffer Co., Washington.

Mr. Hanson will be assisted by five committees who will specialize on various features of the Convention. These committees with their Chairman and Vice-Chairman are as follows:

**Finance Committee:** H. H. McKee, National Capital Bank,

Chairman; E. H. Ruark, The Bradstreet Co., Vice-Chairman.

**Speakers Committee:** Harry Carroll, Carroll Electric Co., Chairman; Wm. G. Buchanan, C. P. A., Vice-Chairman.

**Halls and Decorations Committee:** Arthur May, F. P. May Hardware Co., Chairman; John E. Moore, Geo. F. Muth & Co., Vice-Chairman.

**Entertainment Committee:** F. P. H. Siddons, American Security & Trust Co., Chairman; Harry W. Shaw, Chapin-Sacks Corp., Vice-Chairman.

**Hotels Committee:** John Brewer, R. G. Dun & Co., Chairman; Henry E. Stringer, Hydraulic Press Brick Co., Vice-Chairman.

R. Preston Shealey, Washington Representative of the National Association of Credit Men and Secretary of the Washington Credit Men's Association, will place his office, 727 Colorado Building, at the disposal of the Convention Committees. He will be assisted by John A. Reilly, Assistant Secretary of the Washington Association.

F. G. Hathaway, formerly Secretary of the Lansing Association of Credit Men, and now attached to the National Office, will set up headquarters in Washington this month as the direct representative of Executive Manager J. H. Tregoe and the National Association for all convention matters.

## Headquarters Hotel

The newly opened Hotel, the Mayflower, one of the most modern and complete in the United States, under the management of H. S. Murray, will

## Annual Conventions of the National Association of Credit Men

Convention City	Year	Presidents Elected
Toledo, Ohio.....	1896..	*Wm. H. Preston, Sioux City
Kansas City, Mo.....	1897..	*Jas. G. Cannon, Kansas City
Detroit, Mich.....	1898..	*Jas. G. Cannon, Kansas City
Buffalo, N. Y.....	1899..	*John Field, Philadelphia
Milwaukee, Wis.....	1900..	*John Field, Philadelphia
Cleveland, Ohio.....	1901..	Elbert A. Young, St. Paul.
Louisville, Ky.....	1902..	J. Harry Tregoe, Baltimore
St. Louis, Mo.....	1903..	J. Harry Tregoe, Baltimore
New York, N. Y.....	1904..	F. W. Standart, Denver
Memphis, Tenn.....	1905..	*O. G. Fessenden, New York
Baltimore, Md.....	1906..	*O. G. Fessenden, New York
Chicago, Ill.....	1907..	*F. M. Gettys, Louisville
Denver, Colo.....	1908..	*F. M. Gettys, Louisville
Philadelphia, Pa.....	1909..	F. H. McAdow, Chicago
New Orleans, La.....	1910..	F. H. McAdow, Chicago
Minneapolis, Minn.....	1911..	*Harry New, Cleveland
Boston, Mass.....	1912..	*F. R. Salisbury, Minneapolis
Cincinnati, Ohio.....	1913..	*F. R. Salisbury, Minneapolis
Rochester, N. Y.....	1914..	Chas. E. Meek, New York
Salt Lake City, Utah.....	1915..	Harry G. Moore, Kansas City
Pittsburgh, Pa.....	1916..	*Chas. D. Joyce, Philadelphia
Kansas City, Mo.....	1917..	S. J. Whitlock, Chicago
Chicago, Ill.....	1918..	F. B. McComas, Los Angeles
Detroit, Mich.....	1919..	Curtis R. Burnett, Newark
Atlantic City, N. J.....	1920..	W. F. H. Koelach, New York
San Francisco, Cal.....	1921..	*W. E. Cross, Duluth
Indianapolis, Ind.....	1922..	Jno. E. Norvell, Huntington
Atlanta, Ga.....	1923..	Edw. P. Tuttle, Boston
Buffalo, N. Y.....	1924..	Eugene S. Elkus, San Francisco

### Secretaries

1896-1900	*Frederick E. Boockock
1900-1904	Wm. A. Prendergast
1904-1911	Chas. E. Meek
1911-	J. H. Tregoe

\* Deceased



be convention headquarters. It is asserted that the Association never had finer or more convenient headquarters than will be provided by the Mayflower.

All requests for accommodations should be addressed to Chairman of the Hotel Committee, John Brewer, R. G. Dun & Co., Washington, D. C.

### Greatest Convention

The National Association of Credit Men has established close relations with various executive departments of the United States Government, notably the Department of Justice, the Post Office Department, the Treasury Department and the Department of Commerce. This is one of the reasons why it is highly appropriate that the Convention should be held in Washington.

Another reason is that every citizen feels a proprietary interest in the Capital of the Nation and considers it a privilege as well as a duty to make a pilgrimage to that city.

The annual credit conventions have from year to year increased in attendance and importance. The National Convention this year will undoubtedly attract a larger attendance than in the entire history of the Association.

### Uncle Sam to the Rescue

(Continued from page 7)

the commercial administration course up at the University, and one general rule that I've always remembered was that mailing a letter was, in law, the same as an actual delivery, so I'm just as bad off as if the Harmon people had that check right now," Halbert declared.

"Ever work in a post office?" Ferguson countered.

"No."

"Well, I did for six months once. Let's go down and see your postmaster."

"Old Joe Murchison wouldn't deviate one hair's breadth from the rules and regulations to save his own brother," Halbert objected.

"We'll not ask him to."

"Then we might as well save our shoe leather," Halbert prophesied. And the old postmaster certainly proved him to be a good prophet.

"What? Give back a letter that's once been mailed? What do you take me for? I wouldn't hand back an illustrated post card to the Postmaster General himself," Murchison declared.

"Got the Regulations 'a 1913 handy?" Ferguson queried.

"Do you suppose I'd be running an office without 'em?" Murchison retorted, producing a battered volume.

"Let's look at sections 552 and 553," the salesman suggested.

The old postmaster studied the sections.

"And you pretend to tell that the sender of a letter may get it back, and can even have the postmaster wire to the delivering office to have it returned, if it hasn't been delivered?" Murchison gasped.

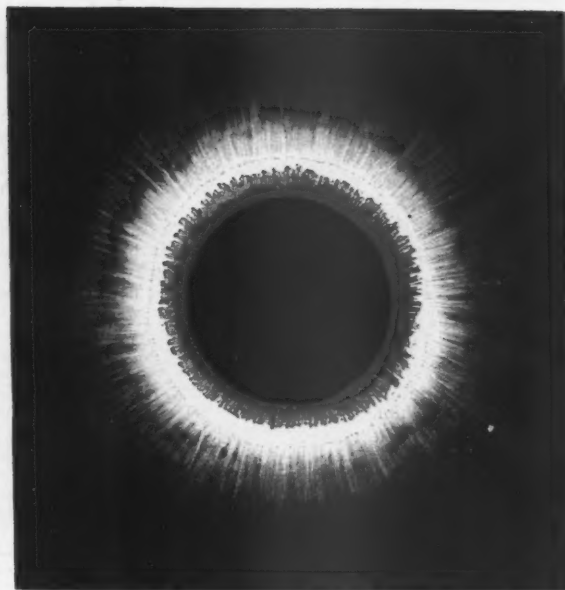
"Don't those two sections say so, in Government black and white?" ...

"Yes, but I didn't know there was such a rule in the book."

"Well, you know it now," Ferguson assured him.

"And this office's run strictly according to the rules," Murchison averred—and handed over the Harmon letter.

(Continued on Next Page).



## A Credit Man's Inspiration

### A Novel and Effective Collection Letter

CREDIT executives are inspired to effective and original work by all sorts of impulses and experiences. A paragraph in a newspaper, a remark dropped at a meeting of credit men, a speech at a banquet, a letter from a customer or from a fellow worker in the field of credit,—any of these may create the spark.

It remained for S. E. Danner, credit manager of the Allentown Portland Cement Co., Allentown, Pa., to derive an inspiration from one of the great events of recent times, namely, the total eclipse of the sun visible a few weeks ago along a wide path that swept across the populous north-eastern section of the United States and gave millions of people a thrill that they will remember as long as they live.

Mr. Danner, who is a member of the Lehigh Valley Association of Credit Men, addressed the following letter on January 23, the day before the eclipse, to a number of his delinquent customers:

Gentlemen:—

You will receive this letter about the time of the eclipse.

Let us think of your over-due account as the SUN.

And your check as the MOON.

Let's have another eclipse. We don't care whether it is partial or total but let's have it.

Thank you.

Very truly yours,

ALLENTOWN PORTLAND CEMENT CO.

S. E. Danner,  
Credit Manager.

Mr. Danner reports that 52 per cent. of the customers addressed paid in full, or, as he expresses it, "We reached 52 per cent. totality in the number of accounts collected." In actual dollars and cents, 51 per cent. of the aggregate amount owing was collected.

Some collection letter ideas can be appropriated and used effectively by others but it would seem that this is not one of them. We can but admire Mr. Danner's originality and keep a sharp look-out for other novel ways of cleaning up past due accounts.

## Jim Walton Pulls Double Play

(Continued from page 11)

"Sorry, old man." Jim's apology was sincere. "Just a habit I suppose. Gee," and he yawned wearily, "it must be late."

"Two o'clock," his traveling student replied testily as he hastily undressed without attempting to light the lamp.

"Hot dog, but you're a bear for work!"

## Uncle Sam to the Rescue

(Continued from page 25)

"I told you he wouldn't break the rules," the delighted Halbert explained.

"And I told you we wouldn't ask him to," Ferguson reminded him.

"Now, while we're here, Joe'll take this \$1,500 check, and I'll get you money orders for your \$1,200 that you can take with you," Halbert suggested.

Half an hour later Ferguson stood by the running board of his hired automobile in front of Halbert's store, while the delighted merchant stood on the sidewalk and wished him 49 varieties of good luck.

"The next time you want to get a check out of the clutches of the Harmon Wholesale, remember Regulation 552," Ferguson bantered.

"Holy old Aunt Jemina," exclaimed Halbert.

"What?"

"I just thought of it. What if the Harmon trustee sues me for that check?"

"What people don't know does 'em no harm," was the tolerant reply.

"Yes, but I called 'em up about shipping the order, and I was so excited when I found they'd gone up, that, fool-like, I blundered right out about mailing 'em the check. Now when it don't show up, the trustee'll sue me on the ground that mailing the check was a delivery that couldn't be nullified by getting it back."

"Well, the point's certainly too deep for me," Ferguson admitted.

"Me too, but I'm glad you got your money, and it's up to me to let the trustee sue if he likes, and put up the best fight I can," Halbert suggested.

Ferguson climbed into the car.

"That's the proper spirit," the salesman agreed. "And you'll let me know how things come out, won't you? I'd hate to get out'a the hole myself by getting you in."

"Sure," Halbert agreed, as the car moved off.

The trustee made no move, however, as the Supreme Court of Tennessee in a case reported in 217 Southwestern Reporter, 977, has ruled that the reclaiming of a letter according to the Post Office Regulations prevents it from operating as a "delivery" under the general rule applicable to such cases.

"The question, then, will arise whether a change in the regulations of the post office can affect the law that the acceptance or delivery is final when the letter is dropped in the post office. It seems that it does," said the Court, quoting with approval from a leading legal textbook, so that the rule adopted by the Tennessee courts will likely be followed by the other state courts when the same point arises.

"Well, I had to get the report done, didn't I? As a professor of salesmanship, I think you're a damned martinet," he growled; and, without more ado, Paul Denton tumbled into bed.

Sunday afternoon dragged, and the evening would have been more of a bore had it not been for a chance remark that Denton happened to make to Jim Walton.

In the course of discussing many of the company's plans and projects, Denton inquired: "Have you given any thought to the Best Suggestion Prize?"

"I should say not," Jim retorted. "Fat chance I've got with any proposition like that. That's a job for some of you office dogs. The air out here in the great open spaces doesn't help a salesman to pull down any such prize. Of course, I might suggest that we can all reports." He winked slyly.

Paul Denton indulged in a bland smile. "It does seem that reports are a bit of a nuisance," he replied, thinking of his experience with them the evening before. "But the thing that struck me most pertinently is the apparent unnecessary duplication. I had to make out four reports for each sale and in every case there was at least fifty per cent. repetition."

For a moment Jim said nothing. A thought was rapidly forming in his mind. A moment later he began to pace the floor. Paul Denton looked at him curiously. "What now?" he asked finally.

But Jim only raised a warning hand. And then suddenly he turned to the Credit Manager, "I have it!"

"Have what?"

"The big suggestion idea—and if it doesn't win the prize, it's at least worth a lot of consideration from the Chief."

Quickly he had reached for his brief case and began sorting papers, in the mean time keeping up a running fire of questions and answers. Even Denton finally forgot the despondency of this country hostelry as he entered into the spirit of Jim's secret. Together they worked late into the night until the tables and chairs were again literally covered with scribbled papers and memoranda.

A week later, when Jim said goodbye to Paul Denton, as he started him on his tour through the Vale of Tears—better known as Madison County—he was still working on plans, still enthusiastic over a project which seemed to portend big things for his company.

He parted with a warm word of encouragement, trying to assure his student that Madison County was a fertile field from which the company might expect anyone to bring back numerous splendid orders.

Denton replied laconically, "Watch me!" His confidence was supreme, for here was his first real chance to show the sales force that a credit man could function with equal success at home or abroad; in his office or on the road.

During the week that followed, Jim Walton retired to his room almost as soon as the supper meal was over. He was completely wrapped up in his new project. The kelly pool parlors no longer attracted him, nor did he find that the small town hotels bored him. During the day he forged ahead with sales. At night he pored over his papers, grappling with his problem, which slowly but surely urged him on to a successful solution. And then one day he took the afternoon off to spend several hours dictating to a public stenographer. The following morn-

ing he laid his typewritten report on the desk of a sales manager of one of the larger printing establishments in his territory. By noon he had obtained the figures he needed, and carefully incorporating these into his report, he enclosed the papers in a wide envelope, and addressed it to his home office in care of "Department Best Suggestion Award."

When he dropped this official looking document into the mail box, Jim Walton sighed audibly, "Well, that's that; and if it don't knock 'em cold, I'm a bad guesser."

A month later Jim Walton was on his way back to the plant. In accordance with the long established custom of his firm, he, as one of the territory managers, had been invited to attend the annual banquet of executives, and the three-day conference which followed. As Jim's trip had been unusually tiresome he welcomed with eagerness this opportunity for a temporary relief. Coupled with this was a curiosity to see Paul Denton again and to find out how he had fared in the wilds of Madison County.

When he entered the office, Denton greeted him warmly and in response to the question, "Well, how was the Madison graveyard?" the Credit Manager answered with a lugubrious drawl: "Very, very dead. But you wait, I'll get even with you for so shamelessly sending me into that place of infamy and bum buyers!" And that was all Jim could get out of his former student.

Dick Blair, the Salesmanager, was equally non-committal and even more so when it came to any information about the prize suggestion. "As regards that, I am not on the committee," he said, pleading total ignorance and accepting with a shrewd smile Jim's laughing retort which informed him that most salesmen were awful liars.

\* \* \*

THE banquet hall of the Conant Hotel was clothed in its gayest robes. The orchestra hidden behind a bank of palms played its jazziest. The clans had gathered. At the speaker's table, the Chief, surrounded by his officials, beamed down at his co-workers. There was a pride in his smile. These were the men who kept the wheels of his great factory turning through two eight-hour shifts, and for them he felt something akin to a paternal affection.

When he had taken his place at the table there was a momentary uproar which subsided only after three cheers had echoed through the hall, ending with a fine flourish in the old song, "Howdy do de. Howdy do de." He waved his hand in acknowledgment, and as they seated themselves the room again rang with lusty voices and a jingling of tumblers as everyone joined with the music which pealed out a syncopated "Jingle Bells."

The after dinner speeches were cheered with a hearty enthusiasm but all the while there was suppressed expectancy. Everybody in the banquet hall was waiting the Chief's announcement, which would tell them who had won the annual \$500 cash prize for the most useful suggestion turned in to the committee during the previous year.

Mr. Stanton was on his feet. Everyone leaned forward expectantly. "Gentlemen," he said after a few preliminary remarks, "The prize this year covers a suggestion which is one of the best ever received by our company. In adopting it



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## Link-Belt Comptometer uses

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Extending Stores Issues	Computing Billing Prices from List and Discount
Figuring Business Booked	Converting Links into Feet
Extending Machine Burden Earnings	

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we feel confident that every man in this hall, every salesman, and every customer of our company will greatly benefit. But that is not all. A few months ago I never dreamed that by giving this \$500 award, I would be repaying one of our good friends for a loss he sustained through an unfortunate mistake. Accepting that loss as he did, without a growl, proves that we have with us a man who is not only a splendid salesman, and a loyal friend—but equally a wonderful sportsman who can take defeat with a smile and then go out to win by utilizing the very thing which defeated him."

The Chief paused a moment smiling down at the eager, curious faces arrayed in front of him. And then holding a check high above his head he shouted, "This check for \$500 is awarded to Mr. Jim Walton!"

In a moment pandemonium broke loose. Every man present remembered Jim's famous speech at the sales convention when he had gracefully accepted his loss in the Eaton & Stone affair, had paid up the \$500 and assured all those present that he would, in the future, back up credit reports and all other reports required by the home office.

When the cheers had subsided, Jim Walton sprang to his feet, but the Chief smilingly ordered him to be seated as he continued:

"Gentlemen, I must now explain to you the suggestion which won the prize. You will all recall that the numerous reports requested by the different executives of our company have made it exceedingly difficult, at times, for the salesmen to function properly. Likewise, the office executives have often felt the load of the report requirements. Interchanging reports from one department to another has been burdensome. For in all this you can readily see that there is frequently extreme duplication.

"Walton has apparently given this problem his most earnest consideration and has worked out a consolidated report which in one writing effects three or four carbon duplicates and gives on the single order all the information necessary for any department to have. Not only that but this consolidated report does away with all office interchange, for now every executive will have in his file all the information necessary to himself and to his team mates.

"We have computed that this consolidated report will save the salesman at least fifty per cent. of the time that is now required for his paper work. And furthermore there is an actual dollars and cents saving to the company, as Walton went so far as to get a bid from a printing house which has agreed to print these report blanks and encase them for us in handy leather folders at a remarkably low price. According to the figures submitted this will entail a saving in paper and printing alone which is going to be quite an item."

The Chief hesitated a moment, but signalled for continued silence. Then he concluded, "From the way friend Jim sprang to his feet a moment ago, I actually believe he wants to make a speech. Mr. Walton, you have the floor."

Unaccustomed to such applause as once again acclaimed the winner of the contest, Jim Walton hesitatingly stood up, acknowledged the cheers and stammered for a moment in his embarrassment.

"Friends," he finally managed to say, "I cannot accept the \$500. I will, however, take half of it, but the other half belongs to our good friend, Credit Man-

ager Denton." And then he went on to tell about their trip together, and how, in talking over the company problems, the idea of consolidated reports had been suggested to him by the Credit Manager, and how the initial features of it they had worked out together.

Then it was Paul Denton's turn as he took to his feet shouting, "Mr. President, I demand the floor!"

"Wrap it up and take it home," someone facetiously retorted, while another began to sing, "Fireman Save My Child."

But Paul Denton, unperturbed, held his ground, until the uproar had subsided.

"As long as we seem to come here bearing gifts, it appears appropriate for me to add my package to the rest of these donations," he finally began. And as the others became attentively silent, Denton grew serious. "Friends," he said, "especially you salesman, I have but recently come back from a six weeks sales trip through Walton's territory. Three weeks of this time, I was under the tutelage of our worthy professor, Jim himself. Then he turned me loose in Madison County to go it alone."

He paused until the laughter had subsided.

"I was sent there to find out and I did—believe me! I have come back with a different idea of a credit man's job, with a warmer feeling for the men who bravely tote the sample case and face the long lonely road that leads from home and those they love. I experienced a little of that feeling when with Jim, but not much. He kept me too busy. Then I headed west, alone, into Madison County. Of course, I have pride. Of course, I wanted to show you fellows that I could sell goods as well as pass on credits and write collection letters.

"I shall never forget that first terrible week. I made from fifteen to twenty calls a day. And just as often as I called I was turned down. It was heart breaking. I was just about to turn back, defeated, absolutely licked. And then—and thank God for this!—I got a letter from good old Jim, a letter full of pep, a letter which came from the heart of a man who must have known what I was suffering. And in that letter he suggested that I call on several customers.

"Do you know at first I thought he was playing a trick on me. For when I came to read over the list every one was the name of somebody whose order I had previously cancelled. Nevertheless, I went to see them. And, Oh the things I learned! About credit, about life, about selling. In nearly every case, I found those fellows worthy of credit; small town, struggling merchants, slow but as good as gold. The chief trouble with most of them was their lack of business education.

"And so I went on for two weeks, helping a man here with his books, another there with advertising, and another with his bank problems. And I want to tell you that I myself and this company today have friends back there in Madison County—that place which previously brought pink slips instead of sales.

"But wait a minute,—I'm not here to brag about myself. I want to make a confession. When I went out on this trip largely through my own request, it was understood that I must meet my own expenses through earned commissions. Well, I did it. But there's more to it than that.

"Back in the hills, I found old Silas Seaton. Four times Jim has called on

him and four times I cancelled the order. Not arbitrarily—but listen! I couldn't get a thing on him, not a report of any kind. But here's what I found: Seaton's the greatest hero of the foothill country. He's rich, and his old fashioned store is a little gold mine. But there's one thing he won't do and that is talk about himself. He won't give anyone any kind of a report on his store or trade. He's that old fashioned. I learned that several of the agencies have had men call for information and each one has been practically hurled bodily out of the store—which accounts for the fact that what little information we can get is entirely derogatory.

"But to make a long story short, old Silas and I became great friends, and here, gentlemen, is a nice fat order for \$2000. The commission on that as you know runs about \$250. I absolutely refuse to take any share in that \$500. The idea was Jim's, not mine. And I'm more tickled than I can say that he has so ably earned back his original loss of \$500. I have worried about that considerably.

"Now as to the commission on this order from the hill country. As long as I broke even on the trip, and as long as Seaton is really a customer of Jim's, one whose other orders I erroneously cancelled, I feel that the commission belongs to Jim Walton and I want him to have it. I have several times taken this up with the Chief but he has been entirely non-committal. Had it not been for Jim's attitude regarding the prize money, I might not have said anything, especially at a function of this kind. But as it is I have spoken, and now, Mr. Seaton, it's up to you." And Denton sat down.

The Chief arose. Affairs had taken a queer turn, but he was accustomed to making decisions. "Gentlemen," he said, "the handing out of awards this evening has had a rude interruption. Mr. Paul Denton, who recently returned to us from his road experiences with a new viewpoint, has rather usurped his authority." Mr. Stanton paused to feign a mean frown. "I herewith, then, take the liberty of punishing him publicly and do hereby fine him the sum of \$250, thus requiring salesman Jim to keep the entire \$500 best suggestion award, check for which I now take pleasure in handing him."

"Having thus duly chastised Mr. Denton, I will continue with the next award by introducing herewith this little paper which states that the Board of Directors have decided to allow the \$250 commission on the Seaton order. But before presenting it to the salesman to whom it belongs, I must pause to compliment one other man—our Credit Manager.

"It is a great thing when a man can leave his office job to face for a few weeks the big world outside. Inside, we sometimes grow stale and crabbed. We forget the biggest element in business is just folks—plain commonsense, human nature. So every credit man should spend a few weeks in the year calling on the trade. He will have some bitter experiences. But the things he learns will be legion.

"Mr. Denton has cut his eye teeth on this first sales trip. He is a better credit man today because of the trip, and we can also proudly acclaim him as a good salesman. He has earned as he has learned. So now, Mr. Denton, without keeping everybody in suspense any longer let me say, you are the salesman the directors referred to. Please step forward and accept this check for \$250."

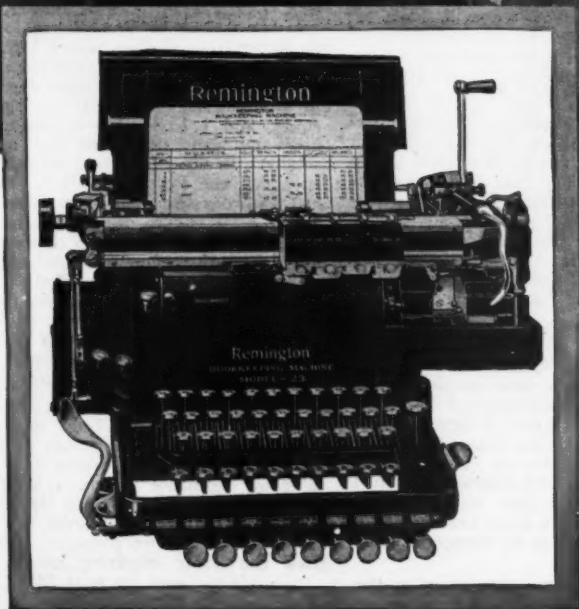


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### Friendship and Credits

(Continued from page 19)

stance where he took a young boy who had started down the wayward path, and got him a job, advancing him money, and helped him get a grip on himself again.

I feel there must be some misunderstanding. Surely a man of the qualities I believe him to have is eligible for membership in our Association. Evidently the gentlemen registering the complaints are not personally acquainted with him, and that accounts for the fact that there was not a more intimate discussion of the case when they talked to him. He has been a credit man for years and years and I have never heard anything but good things about him. As I said, he is not in my line, and I have had no occasion to deal with him, but I believe in him.

Let's let him speak for himself. I persuaded him to stay just now when he wanted to leave, because I think we should give him an opportunity to clarify things. I know these men who made the charges and I know that a satisfactory explanation will cause them to be just as willing to receive him as a member as anybody here.

It is easy to see that I am terribly embarrassed and I would like to have the matter explained.

**PRES. RAMEY:** (To Mr. Doe.) Mr. Doe, I feel altogether responsible for you being here. When the application was received, we should have acknowledged it. It seems we failed to do this. We have had no meeting of the Board of Directors. Of course you had no way of knowing this. It is necessary for all applications to be passed on by the board. I know the embarrassment you must feel, and I know the embarrassment we all feel. Since the matter has gone this far I am hoping you will see it through, and I believe our members will be courteous and kind, and that we will have no trouble in working out an adjustment of these things. I feel sure you have an explanation of the charges. Won't you stay and see it through?

**MR. DOE:** Mr. President, I am comparatively new at this work, and I will see it through in order to bring myself up to date. I will be very glad to answer any questions. I do not think I have done anything to be ashamed of. I do not specifically remember these charges as they were brought, for I did not know they were talking about our concern. If you will repeat them, I will be glad to answer.

**MR. SUTTON:** Mr. Doe, I for one appreciate your frank attitude. You probably recall that some time ago down here at Griffin we were all involved in a failure and that you wrote a letter recommending that creditors accept a 50 per cent compromise. We all did. We collected 50 per cent. We afterward learned you collected 100 per cent. on your claim. You may have had a good reason, but it seems to me you took advantage of your fellow credit men.

**MR. DOE:** I assume you refer to the

case of the Square Deal Hardware Company. This man came to my office, and stated that his affairs were in bad shape. Said he could not pay, that is, he could not pay in full. I agreed to go to Griffin, which I did, and found that he stated the situation correctly. He could not pay more than 50 cents on the dollar. I told him I would recommend to the creditors this settlement, but that when he got through if there was a sufficient amount of money left, I felt in view of the service I was rendering he should pay our house in full. This he agreed to do. The settlement went through. The creditors all agreed. We mailed out certified checks for the 50 per cent. Then I got his note for the balance, but the note is now in the hands of an attorney and the customer disputes it on the ground that we agreed to accept it along with all the other creditors, and the attorney tells me it will be a long, hard fight before the note is paid.

**PRES. RAMEY:** Mr. Doe, a secret agreement with a debtor by which an unfair advantage is gained over other creditors generally does act as a boomerang. Your case is typical of that. A debtor certainly shows bad faith when seeking to bribe a creditor for the sake of the creditor's influence. He belittles both of them. Eventually the creditor pays a big price in the way of lost confidence among others as these facts become known. His returns are small in comparison to the reputation lost. You have evidence here tonight to prove that our organization is posted regarding these things. Co-operation is the keynote of our organization and I believe you realize if you had co-operated along the lines set forth by correct business ethics, you would have been fully recompensed. Don't you feel that that is true?

Mr. Nowell, repeat your charge, please.

**MR. NOWELL:** Mr. Doe, I am of the Pittsburgh Plate Glass Co. You probably remember several months ago I called you up in reference to a customer who had referred me to you about his paying ability, as I had received an order from him. Before I completed the investigation you sent one of your salesmen down and induced the customer to cancel my order. You got the business. I would like an explanation.

**MR. DOE:** I am glad to answer. I remember that case. You told me you had an order from this customer. I gave you my experience. I have always been taught and encouraged by our sales department to promote sales in any way I possibly could, and I have always been glad to give any leads that came into my possession. In this case I told the sales manager that the Pittsburgh Plate Glass Co. had an order for approximately so much. That's all I had to do with it. In a few days we got an order from that customer for a good big amount. We did not know your order had been cancelled. I might state, however, for your benefit, that this man returned the goods and we had to pay freight both ways. Our salesman guaranteed that our goods would be as good as yours and they were not.

**PRES. RAMEY:** Mr. Doe, your punishment seems to have been meted out quickly in that case. If I am to understand that your house wants to promote sales by legitimate means, your department misinterprets the word "legitimate." The amount of the first order is written in an inquiry for two purposes. First, to show the house inquiring has in mind

(Continued on page 32)

# The plant that is considered safe from fire is often the one that is in greatest danger.

Your plant may be as well protected as it is humanly possible to make it.

But are you sure?

Perhaps it is only as safe as your own inspection service can make it.

Inspections sometimes become routine. Trifling things, big with dangerous possibilities, are often overlooked. Fire prevention devices sometimes appear efficient but prove failures in time of need.

The engineers of the Hartford Fire Insurance Company are experts in detecting fire hazards. Their work is thorough, their experience broad.

They can work no miracles, but they can bring to your plant a fresh, outside view, and give you the benefit of a training secured in a company that has studied fire causes for over a century.

This inspection costs you nothing and involves no obligation of any kind. It may reveal much or it may endorse your own effort. It may possibly reduce your insurance premiums.

Isn't it worth looking into? Your local Hartford agent can arrange for it. If you do not know him, write the Company direct for his name.



*An expert trained in a company that has studied fire causes for over a century.*



INSURE IN THE  
HARTFORD FIRE INSURANCE COMPANY, Hartford, Conn.



## Friendship and Credits

(Continued from page 30)

the actual delivery of goods, if the customer is found worthy. Otherwise you might well believe that your experience is being sought on business in prospect. Second, the amount might gauge the nature of your reply. In that case the only use of such information would be to build up credit files, and serve as a guide in extending credits. That is all your sales department requires, is it not?

MR. DOE: That is all.

MR. NOWELL: Your explanation is not very satisfactory to me, for a man who uses such methods as that is not a safe source of credit information.

MR. DOE: I see your point all right; but I have never been to an Association meeting before and know nothing about its ethics.

PRES. RAMEY: If Mr. Doe had the privilege of membership in our Association, no doubt he would be helped in the handling of his credits, and see the advantage of modern methods of doing business.

MR. HILL: If he was associated with our men, he would be just as ethical as we are. I have known him a long time, and I am confident that if given an opportunity he will become as staunch and loyal to credit standards as we are.

MR. NOWELL: If he agrees to do that I will be one of the first members to give him the glad hand.

PRES. RAMEY: If Mr. Doe, then, is elected to membership, Mr. Nowell has expressed his willingness to give him the glad hand.

MR. DOE: Gentlemen, I did not realize that I was doing wrong at all, and thought you were acting along the same lines as I have always thought were the right lines. I see clearly that better methods ought to be employed. If I am allowed to become a member, I will be glad to co-operate.

PRES. RAMEY: Mr. Millions, would you mind repeating your charge?

MR. MILLIANS: Mr. Doe, you will recall several months ago, I asked you for information on Little & Company, Abbeville, S. C., and you stated that they were satisfactory. I acted on your recommendation and shipped the order. Later on I learned you had attached this man's stock. Did you not have knowledge of his precarious condition when you gave me that information?

MR. DOE: I do not remember specifically giving you that information, but it is possible that I did state that they were satisfactory. I don't know just what satisfactory means to your house, but with my house it means any account we can eventually get our money out of. As far as orders are concerned, we had sold them a good amount of merchandise and the account had been satisfactory. Some time after that our salesman wrote that he had been unable to collect. I referred to the account and found it much past due.

MR. MILLIANS: Mr. Doe, when a member of our Association tells me that an account is satisfactory, I take it to mean exactly that.

MR. DOE: You must remember that I am an outsider, and am learning new things tonight. I considered the account what I call satisfactory, at the time I

gave you the information. I do not think I referred to the account at the time because I make it a practice of giving information like that from memory. I remember saying that we sold them large amounts, for we had had the account for years. Later our salesman wrote me he was in the office of Little & Company and saw a large shipment of ladies' hats, and called my attention to the account. When I looked it up to my surprise I found it larger than anticipated, and much past due.

PRES. RAMEY: Making a reply from memory to credit inquiries is of course a very dangerous practice, as this case shows. Had you examined your records when the inquiry came you would have discovered the condition of the concern. You could have prevented the debtor becoming more deeply involved.

MR. DOE: When I referred to the account on our salesman's suggestion and found it in such bad condition, I thought it was time to take action and referred it to our attorney. I know an attachment was taken out and our attorney said he was forced to do that as he found the debtor was attempting to move the stock of goods to another state.

PRES. RAMEY: Mr. Millions, how do you feel about this information given by Mr. Doe.

MR. MILLIANS: Mr. President, I do not complain about the attachment. What I want to bring out is that he should have gone to the trouble to refer to his ledger and obtained accurate information on the account.

PRES. RAMEY: Mr. Doe, do you now feel the importance of going to your ledger in such matters? These are the things that have brought this body of credit men together, in 140 local associations—this thing of giving actual ledger experience.

MR. DOE: I have never thought of it in this way. I see now that it is very significant that I should refer to my ledger, and in the future I will.

PRES. RAMEY: Fellows, I feel that we have gained a point, and that Mr. Doe understands that this should be done and why it should be done.

Mr. Dobbs, we will review your complaint.

MR. DOBBS: (To Mr. Doe) I don't suppose you will recall this particular instance. But you phoned me and asked for the paying record of Smith & Co. at Albany, Ga. I told you they were slow. You passed this information to your salesman, who in turn told Smith & Co. about the information we had given you. This made them very sore, and in consequence we have lost their account, and have been unable to do any business with them since.

PRES. RAMEY: Mr. Doe, do you recall that case?

MR. DOE: Yes, I do. I remember Mr. Dobbs gave us that information. I passed it out to our salesman in this way: I told him a crockery house in Atlanta had reported them slow, and to be on guard to see that our payments were respected. Not until some months later a gentleman dropped in the office one day, introducing himself as factory representative of some pottery works up north, and he asked if I remembered this order of Smith & Co. I said I did. He replied he would tell me a little story. He related that he was with our salesman at the time this order was taken. That our

salesman had been selling Smith & Co. hardware, and said to him, "Mr. Smith, we have been selling you hardware for some time, and we could take care of you very nicely on your crockery." Mr. Smith replied that his connection with Dobbs & Wey Co. had been satisfactory and they thought a good deal of Dobbs & Wey. Then the salesman said, "Mr. Smith, do you know that Dobbs & Wey Co. have reported your company as slow pay?" Then the trouble began. He tried to stop our salesman, the customer became infuriated. As soon as I learned of that situation, I wrote this salesman and got after him about it. It might be interesting to you to know that we let that salesman go. For that order of crockery the bill is still open on our books, and I would like to find someone who could help me collect it.

(As Doe smiles, there is laughter around the room.)

PRES. RAMEY: A confidence was twice violated, first by yourself and next by your salesman. The facts show no effort on your part to gain advantage over your competitor, but the results are the same in the end, except that you seem to have an uncollectable account on your hands, which you might have prevented had you regarded more carefully the reply to your inquiry. They reported the account slow, and you have apparently found it more than slow! In the cases stated it seems you have got the worst of it in at least three.

MR. DOE: I forgot to mention on that case we served the attachment we found the bank had a mortgage on the goods and we had to turn them back over to them.

PRES. RAMEY: Well, you certainly lost out there.

MR. DOE: I am very anxious to get into the Association and find out a good many things I need to know as a credit man worthy of his profession.

MR. HILL: If it is in order to do so, I wish to move, Mr. President, that, in view of Mr. Doe's frank attitude and his evident inexperience in credit association standards, his application for membership be forthwith accepted.

MR. DOBBS: Second the motion.

PRES. RAMEY: Those in favor, please say, Aye. Those opposed, No. It is a Vote!

## Combination Keyboard Useful

(Continued from page 15)

The percentage of errors in our book-keeping is very, very small. It would be difficult for a mistake in figures to be missed, but there is sometimes trouble because of a confusion in names. A charge might be posted on the wrong account, particularly in the case of two names, similar or identical, for which the same address is given. This happens occasionally, but, after one mistake, the necessary precautions are taken to prevent its occurring again.

The ledger records are kept on cards in trays specially constructed for the purpose, alphabetically arranged with subdivisions sufficiently numerous to enable us to find quickly any given account.

While we have comparatively few repairs to be made, we can not afford to lose any time in the posting of accounts, so I have three extra machines for use in case of emergency. Consequently, our work is uninterrupted.



# Prize-Winning Puzzles

Devised by Five Readers of the Credit Monthly

IN the January issue of the CREDIT MONTHLY five prizes were offered for the best five cross word puzzles based on the pattern printed in that issue which would utilize words and ideas taken from that issue.

From the many replies that have been received the CREDIT MONTHLY has selected what are considered the best five answers. These replies came from the following readers, whose names are listed alphabetically:

1. J. P. Miller, Credit Manager, Pet Milk Sales Corp., 836 Arcade Bldg., St. Louis, Mo.

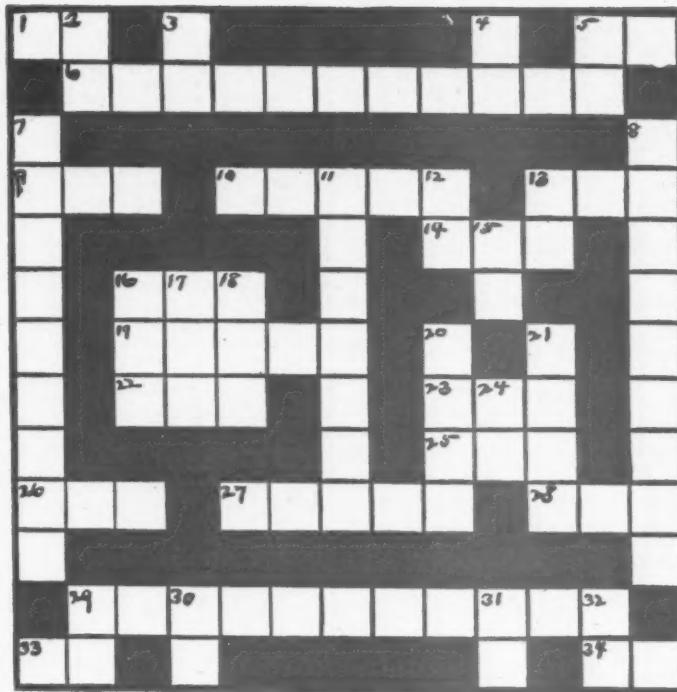
2. R. O. Morgan, Oliver Chilled Plow Works, South Bend, Ind.

3. Miss Mabel D. Paine, Asst. Treas., The Barta Press, 209 Massachusetts Ave., Cambridge, Mass.

4. C. D. Potter, Asst. Treas. and Credit Mgr., Devco & Reynolds Co., Inc., 101 Fulton St., New York, N. Y.

5. T. J. Tullis, Thomas & Moore Dry Goods Co., 1140 Market St., Chattanooga, Tenn.

The pattern is reprinted herewith in order that any reader who wishes to work out the puzzle according to one or all of these sets of answers may have the pattern before him. The gilt and enamel watch charm showing the Vigilantia seal has been sent to each of the winners.



1.

## HORIZONTAL

- 1 Abbreviation of an Eastern State.
- 5 A preposition meaning from.
- 6 A word giving the reason why the National Ass'n is raising a fund in connection with credit crimes.
- 9 To possess.
- 10 What every well organized credit department must have.
- 13 In the past.
- 14 To possess.
- 16 A conjunction meaning also.
- 19 A word expressing the course of credit crimes when the protection fund has been completed and in operation.
- 22 A word expressing the careers of fraudulent debtors when the protection fund is in operation.
- 23 Gone by.
- 25 A conjunction used in connection with neither.
- 26 An epoch.
- 27 What every credit applicant must possess.
- 28 How we like to have our invoices handled at maturity.
- 29 A word explaining why every one engaged in credit work should attend the monthly meetings.
- 33 A pronoun.
- 34 An adverb.

## VERTICAL

- 2 An adverb denoting likeness in kind or manner.
- 3 Above.
- 4 Abbreviation of a New England State.
- 5 A preposition meaning over and in contact with.
- 7 One of the prime requisites of every credit risk.
- 8 A form of organization.
- 11 What most credit grantors use to check credits.
- 12 An adverb.
- 13 An adjective.
- 15 Us.
- 16 The present period.
- 17 A prefix meaning not.
- 18 Preterite of do.
- 20 To be without.
- 21 What a credit grantor submits to a debtor when he desires a financial statement.
- 24 To move onward.
- 25 A preposition.
- 30 An adverb meaning in that manner or degree.
- 31 The third person singular, present, indicative, of the verb be.
- 32 Not at all.

2.

## HORIZONTAL

- 1 An exclamation repeated by a debtor when he puts one over on the credit man.
- 5 What many credit men have difficulty in saying.
- 6 Subduing or quelling.
- 9 The date on which a collection manager becomes active.
- 10 Slang for that which looks mighty good on a financial statement.
- 13 An exclamation.
- 14 Something that should not become "past."
- 16 Slang abbreviation for that which is essential in a good credit risk.

- 19 Deception practiced by many bankrupts.
- 22 Daughters of American Revolution.
- 23 That which there is much of when a credit risk goes wrong.
- 25 A safe credit method of shipping goods.
- 26 The three letters standing for the cardinal qualifications of a credit risk.
- 27 A very important side of the financial statement.
- 28 The last resort in collecting an account.
- 29 Supplementing No. 6 horizontal, representing an important work of the N. A. C. M.
- 33 To serve.
- 34 A pronoun that should not be spelled in capitals by a credit man.

## VERTICAL

- 2 A Roman bronze coin.
- 3 Aloft.
- 4 3.1416.
- 5 What many credit risks turn out to be.
- 7 That which every good credit risk must carry.
- 8 The foremost requirement of an applicant for credit.
- 11 What members of the N. A. C. M. deal in every day.
- 12 A northwestern State.
- 13 Pronoun.
- 15 The greatest country in the world.
- 16 How farmers get their mail.
- 17 Period of time.
- 18 How we would like to have all checks collected.
- 20 Something a credit man must possess to be successful.
- 21 The plural of that which a credit man should have but one.
- 24 Act.
- 29 Abbreviation for an incorporation.
- 30 Abbreviated title for Rodman Gilder.
- 31 Pronoun.
- 32 Printers measure.

(Continued on page 34)

## 3

## HORIZONTAL

- 1 State noted for its peaches (no slang intended).
- 5 "Service station" which undertakes to look after the interests of creditors. (Abbr.)
- 6 A faculty very important to a Credit Man.
- 9 Pronoun which should not be applied to the credit manager "sight unseen."
- 10 Must be watched closely.
- 13 Should always be open to the honest plea of a debtor.
- 14 His face appears on page 22.
- 16 A great aid in collection of debts. (Abbr.)
- 19 What the commercial criminal tries to do.
- 22 Estimated. (Abbr.)
- 23 One thing that is free, even in these days.
- 25 What the credit man should do clearly.
- 26 That which threatens, when a dealer's liabilities exceed his assets.
- 27 What the credit man should keep over.
- 28 Affirmative vote.
- 29 The purpose of a Credit Interchange Bureau.
- 33 Indicates one.
- 34 Denoting possession.

## VERTICAL

- 2 Source of revenue in every magazine. (Abbr.)
- 3-4 Different parts of the same much-used verb.
- 5 Preposition often seen in a balance-sheet heading.
- 7 An important asset, which does not appear in a financial statement.
- 8 Always a favorite with the salesmen.
- 11 What we wish to do with accounts receivable.
- 12 In like manner.
- 13 Suffix forming nouns denoting a person.
- 15 Prefix meaning "back"—also abbr. for a fixed asset.
- 16 What to do with #29 horizontal.
- 17 What few men (or women) are. (Abbr.—plural.)
- 18 What should be done with obligations of any description.
- 20 A liquid asset.
- 21 What fraudulent dealers do to commerce.
- 24 That is. (Abbr.)
- 29 How a salesman hopes to find his prospect.
- 30 Labor-saving devices—subject for February number.
- 31 Pronoun.
- 32 What every credit man sometimes has to say.

## 4

## HORIZONTAL

- 1 Advisable before shipment.
- 5 Consulting Editor "C.M." (Phon.)
- 6 We should receive and give it.
- 9 Personal pronoun.
- 10 Should be had before granting credit.
- 13 Every crook should be behind several.
- 14 What we expect our debtors to do.
- 16 What you are.
- 19 What commercial crooks do which our fund will discourage.
- 22 1,500.00 (#22) for our Credit Justice Fund.
- 23 Period of time.
- 25 What a Credit Man should make of his work.
- 26 Publishers. (Abbr.)
- 27-28 How much of the Justice Fund shall we raise? (#28 Abbr.)
- 29 The Great Adventure.
- 33 Preposition.
- 34 Concerning.

## VERTICAL

- 2 Mid-Western City. (Abbr.)
- 3 Proper answer to a crook applying for credit.
- 4 Benefit derived from Interchange Bureaus. (Initials.)
- 5 Preposition.
- 7 Important requisite for credit.
- 8 What our fund will enable us to do.
- 11 What we try to do with our accounts.
- 12 Kind of debtors we don't like. (Initials.)
- 13 Preposition.
- 15 Present time. (Abbr.)
- 16 Submitted to Credit Monthly. (Pl.)
- 17 Excessive overhead (#17) into net profits.
- 18 What we are drawing around the dishonest.
- 20 A stamp of authority.
- 21 Information.
- 24 Common Carrier. (Abbr.)

- 29 Kind of note. (Abbr.)
- 30 Kind of draft. (Abbr.)
- 31 Where we live and glad of it.
- 32 One owing us money. (Abbr.)

## 5

## HORIZONTAL

- 1 An exclamation denoting surprise.
- 5 A word denoting presence.
- 6 A "Society" which is indispensable to Credit Men.
- 9 Angry.
- 10 Truths. (The basis of all Credit.)
- 13 Being clear of all deductions.
- 14 To be bound to pay.
- 16 To unite.
- 19 Defend.
- 22 Termination.
- 23 A short poem.
- 25 A distress signal which we give Association of Credit Men when a customer goes bankrupt.
- 26 Help. (Also a name for CREDIT MONTHLY.)
- 27 Foundation.
- 28 2,000 lbs.
- 29 Settlements.
- 33 A pronoun of the neuter gender.
- 34 Not off.

## VERTICAL

- 2 Exclamation denoting joy.
- 3 Abbreviation for United States.
- 4 Abbreviation for Hawaiian Islands.
- 5 One.
- 7 Pertaining to money.
- 8 Act of stating.
- 11 Commercial business reputations.
- 12 In this or that manner.
- 13 Abbreviation for North East.
- 15 I and another or others.
- 16 Period of time.
- 17 To urge or demand payment.
- 18 The member of the household who generally pays the bills.
- 20 Employer.
- 21 A standard.
- 24 To perform.
- 29 Same as 5 Horizontal.
- 30 Abbreviation for a court whose jurisdiction in some States is very limited.
- 31 A word of refusal.
- 32 Same as 12 vertical.

Honorable mention is made of the following who supplied synonyms for the pattern:

I. Abramson, Omaha Hat Factory, Omaha, Neb.; C. G. Askins, 1902 N. Meridan St., Indianapolis, Ind.; Joseph Baldoni, 1910 E. Capitol Ave., Springfield, Ill.; Edith F. Bashaw, 423 Washington Ave., North, Minneapolis, Minn.; Chas. R. Blow, Beyer-Welch Co., Phila., Pa.; A. N. Bornstein, Rapids Furniture Co., Boston, Mass.; Truman D. Cameron, 608 Central Ave., Albany, N. Y.; I. H. Charlotte, Rockbestos Products Corp., New Haven, Conn.; Henry Crossman, 308 Hickory St., Arlington, N. J.; C. E. Crouch, Rochester Button Co., Rochester, N. Y.; C. M. Edwards, Loudon Machinery Co., Albany, N. Y.; W. F. Farrell, Lewis-Mears Co., Inc., New York, N. Y.; Frank B. Flower, Stephen Greene Co., Phila., Pa.; J. V. Grady, Frederick Stearns & Co., New York, N. Y.; D. A. Hill, F. S. Moseley & Co., 137 So. La Salle St., Chicago, Ill.; C. R. Johnson, 3700 Baring St., Phila., Pa.; Amos D. Kennedy, Chas. F. Felin & Co., Phila., Pa.; Fletcher-Thompson, Bridgeport, Conn.; Leslie Kepler, 200 W. Garfield Ave., Glendale, Cal.; I. A. Kestlinger, N. Shure Co., Chicago, Ill.; John E. Lightner, 1701 Linden Ave., South Bend, Ind.; W. C. Lovejoy, Fulton Bag & Cotton Mill, Atlanta, Ga.; and Alfred Luck, Newton, Iowa.

A. G. MacEachron, 1241-25th St., Detroit, Mich.; N. Walter Macintyre, St. Louis Chamber of Commerce, St. Louis, Mo.; W. J. McReynolds, 363 Page St., San Francisco, Cal.; C. R. Metcalf, Oster Mfg. Co., Cleveland, Ohio; B. Miller, Lion Collars & Shirts, Inc., Troy, N. Y.; C. I. Miller, Libby-Owens Sheet Glass Co., Toledo, Ohio; M. E. Mingst, A. P. Dienst Co., 140th

St. and 3rd Ave., New York, N. Y.; J. Moskowitz, 287a Hart St., Brooklyn, N. Y.; R. A. Neale, Fisk Tire Co., Chattanooga, Tenn.; W. F. Neubrech, 121 Fage Ave., Syracuse, N. Y.; F. T. Ostrander, National Supply Corp., New York, N. Y.; Emma Perpetua, 515 N. 25th St., Reading, Pa.; Harry Polan, York Insulated Wire Works, New York, N. Y.; W. S. Rinker, 317 West St., Bethlehem, Pa.; Orson M. Rogers, Salt Lake City, Utah; Morgan Ryan, S. W. Straus & Co., New York, N. Y.; Charles Showalter, Brookline, Pittsburgh, Pa.; H. K. Smith, Geo. B. Hess Milling Co., Green Bay, Wis.; R. H. Snyder, Knorr-Schlaudt Wholesale Co., Hutchinson, Kans.; E. R. Stansburg, Korrekt Clothes, Inc., St. Louis, Mo.; C. F. Stephens, Valdosta, Ga.; H. Nelson Street, Retail Credit Rating Bureau, Providence, R. I.; W. E. Thielen, Westinghouse Electric & Mfg. Co., Cincinnati, Ohio; J. J. Toohy, Marquette Club, Kansas City, Mo.; Fred S. Weeks, 74 South St., Framingham, Mass.; John G. Zabriskie, 235 Fourth Ave., New York, N. Y., and one unsigned answer from Rochester, N. Y.

## Decline of Bank Capital in Canada

By Jasper Andrews

ECONOMISTS and financial writers have, for several months, been calling attention to the serious decline of bank capital in Canada.

It appears to be a fact that no new banks have been formed in Canada for some years (the Monetary Times Annual says "for many years past"). It is several years since any Canadian bank has made a new stock issue. There have been, of course, failures and amalgamations. The failures obviously wiped out banking capital, while in most of the mergers the purchasing bank issued less new stock than that of the bank purchased, so that nominally, at least, the capitalization is reduced.

"Canadian Finance," in commenting on this condition, says that the additions to reserve generally made by the banks have been offset in the past few years by the appropriation of reserves to meet losses, and, of course, by the wiping out of the reserves of the banks that failed.

The same publication makes a comparison of the total capitalization of Canadian banks, (leaving out undivided profits, which are a relatively small item) as follows:

	Dec. 31, 1922
Capital	\$125,291,934
Reserve	130,675,000
Total	\$255,966,934
	Dec. 31, 1923
Capital	\$123,409,130
Reserve	123,625,000
Total	\$247,034,130
	Dec. 31, 1924
Capital	\$121,909,960
Reserve	122,875,000
Total	\$244,784,960

This indicates a decline of \$2,249,170 as compared with 1923 and of \$11,181,974 as compared with 1922.

That this trend was still pronounced as the year 1924 came to an end is evidenced by the fact that during the month of December Canadian chartered banks opened but three new branches and closed 35, resulting in a net reduction for the month of 32 branches.



## "The Same Water That Bears The Ship, Engulfs It"

Over 95% of the country's business is done through credit; in fact, business would be paralyzed without credit. Yet each year thousands of firms fail and millions of dollars in credits prove uncollectable.

### Credit Insurance

is a tried-and-proved method for reducing this engulfing loss—for completely *safe-guarding* you against abnormal, unforeseen bad debt losses. A bond of the American Company will protect *all* your resources—net profits, surplus, capital; it will eliminate worry and fear; it will provide you with efficient collection facilities.

### Credit Managers

The Credit Departments of thousands of progressive Manufacturers and Jobbers are now employing this broad, complete service.

**The AMERICAN  
CREDIT-INDEMNITY Co.**  
OF NEW YORK J. F. Mc FADDEN, PRESIDENT

### Offices in all Leading Cities

New York, St. Louis, Chicago, Cleveland, Boston,  
San Francisco, Philadelphia, Baltimore, Detroit, etc.



## Where Credit Cannot Flourish

(Continued from page 17)

sneaks out to the fleet in a ratty little motor-boat to purchase ten or a dozen cases, as a piker. And if the visitor is unknown he is looked upon with suspicion. Not everyone can buy liquor out there.

Not long ago three men went out one night and bought \$16.00 worth of liquor. They paid cash, as everyone does, and

took the goods away in a high powered motor boat. They spoke confidently of future purchases. The man they bought it from was an Englishman and was paid in sixteen crisp, new one-thousand dollar bills. It so happened that the bills were later found to be forgeries, and crude ones at that. The Englishman seemed less annoyed than might have been expected. He remarked to an acquaintance on another vessel in the rum fleet, that

the "genuine imported liquor" he had sold was manufactured less than 50 miles away, in the hills of New Jersey. His chief expense had been in smuggling the stuff out to the rum fleet.

This episode has not encouraged a feeling of trust and security among the law evaders. It is not to be wondered at that they are particular about those with whom they do business, and, insisting always on cash, are examining the banknotes with more care than ever.

# The Setting of Credit Limits

## Net Current Assets an Important Basis

By C. L. Jamison

Asst. Professor, Business Administration, University of Wisconsin

EVERY credit department, no matter how small, usually sets a credit limit for each customer. Ready-made credit systems provide on file folders and record cards a space for "credit limit." Customers' ledger sheets have a space at the top for the same information. To set credit limits admittedly is part of the credit manager's job. How the "limits" are arrived at, and what use is made of them, is one of the things not too clearly defined in the manuals of credit department procedure. The testimony of representative credit men on this subject would be an interesting study.

Credit limits were not devised and have not become a part of the standard credit system without some justification. In the first place, only a small percentage of the customers with whom the average business house has to deal need to be watched, except when the credit situation is strained. Orders are received and filled in the ordinary daily routine. Invoices are rendered and are paid in the due course of events. The credit manager does not need to worry about those customers. Therefore, it should not be necessary for him to spend hours every day looking up the different sources of information before he feels qualified to place his approval upon each order that comes through from these tried-and-not-found-wanting customers.

The alternative of checking through orders from memory is not to be recommended. The human memory is an elusive thing and a poor substitute for exact knowledge. Hence the invention of a ready reference that is accurate as far as it goes, to which the credit manager can refer quickly and positively before writing his name on the approval blank attached to the order. Such a record can be kept in a visible file in which the names of the customers are arranged alphabetically with the credit limits written after them. Not only does it save time for the credit manager, and consequently expense for his concern, but it expedites the passing of the orders through his department. In the face of modern competition quick service in filling orders is of

As a credit executive, what methods do you use in setting a credit limit for each customer?

Professor Jamison and the Credit Monthly would like to know.

—THE EDITOR.

too great importance to permit any delay in the movement of orders through the credit department.

### Saving the Expert's Time

In large credit departments the high priced credit expert should be called upon to utilize his time only on exceptional cases. A routine assistant should be entrusted with the passing of the credit on routine orders. The credit manager, therefore, having once carefully weighed all the information on a customer, and having decided the worthiness of that customer for a limit of credit, can record the result of his investigation and judgment and be free from further concern on that subject for a time at least. It need hardly be emphasized that the limits should be revised periodically. The status of customers changes with the passage of time. Sometimes their position improves; sometimes it becomes weaker.

There is no doubt as to the desirability of setting credit limits. The point of uncertainty is the accuracy of the limits and their consequent dependability. If credit granting could be reduced to a set of principles that would operate with absolute precision, it might be possible to devise a mathematical formula for setting credit limits that would make the limit a positive check on the amount of credit it is safe to extend to any one customer. But, since credit granting is based partly upon psychology and partly upon mathematics, no such definiteness is possible.

When one considers the process of reasoning by which credit is granted, this fact becomes clear. The thing of primary importance is the debtor's ability to pay, and the thing of secondary importance is his willingness to pay. His ability is measured to a large extent by his possessions—which the credit man calls his capital. But this alone is not the sole measure of ability. A man possessed of much property to-day may lose all of it before the expiration of the credit period. This, then introduces another factor, namely, his business capacity. That is, his capacity to so administer his affairs in order that the capital he possesses to-day may remain intact and by proper manipulation may increase in amount with the passage of time. While his capital can be measured in dollars and cents and expressed in figures, his business ability is largely a matter of conjecture, supported, to be sure, by his past record of accomplishment. This in turn can be measured mathematically by a comparison of the figures of his profits over a period of years. There is no better proof of a man's capacity to administer his business successfully in the future than the record of his past. As to a debtor's willingness to pay, this too is reflected in his past record. Not, however, from any figures to be gleaned from his financial statement or his statement of earnings, but by the testimony of persons who have had dealings with him in the past. And this, again, is not a thoroughly dependable indication. Many big swindlers have been made possible by a carefully built up reputation for integrity.

Such a weighing of facts and figures and conjectures is the basis of credit granting. Facts gathered from a variety of sources; figures taken from financial statements and statements of earnings; guesses based upon definite information and upon hunches. How can one set down a definite figure and say, "This represents the maximum amount we will allow that customer to owe us?" Nevertheless, a credit limit expressed in a definite figure is essential to systematic credit administration. Therefore, some



# 100th Consecutive Dividend

by the

## Brooklyn Edison Company, Inc.

Brooklyn, N. Y.

The Brooklyn Edison Company paid on March 2 its 100th consecutive quarterly dividend.

This is a record of 25 years of uninterrupted dividend payments, and since June 1903 at 8%.

Available records show only eight electric utilities in America with a capitalization of \$10,000,000 or over that have paid dividends without interruption for 25 years or more.

The total outstanding securities of the Brooklyn Edison Company are:

Common Stock . . .	\$59,754,400
Bonds . . . . .	45,696,600

This is a ratio of approximately 60% in stock to 40% in bonds.

The Company added 148,000 meters to its system in 1924 and has now over 500,000 meters on the lines.

It has doubled its business in the last four years and more than trebled it in the last seven.

It serves a territory with a population of 2,220,000 that is growing at the rate of 40,000 per year.

## BROOKLYN EDISON COMPANY

method must be found for arriving at that figure.

### Importance of Financial Statements

Of all the information available, the financial statement is the most dependable index of a concern's ability to pay. In a going business the extension of credit for merchandise purchases presupposes the payment of the account when it is due. Therefore, the more liquid the assets of the debtor, the greater the likelihood that the account will be paid when it is due. That is why so much importance is attached to the division of the financial statement into two parts, current assets and fixed assets. It is out of current assets that the account is to be paid. This, then, becomes the primary source of protection. If it fails to yield the required cash payment, resort must be had to the secondary protection afforded by the fixed assets. No credit manager will knowingly extend credit where payment can be realized only from the secondary protection embodied in the fixed assets. That is, no credit manager can afford to take an account whose payment will necessitate the delay, annoyance and uncertainty of using legal pressure to force payment from the liquidation of fixed assets. The degree of importance of fixed assets as a measure of credit worthiness always has been a subject of doubt. Without question the current assets are by far the most important consideration.

In fixing credit limits, therefore, what measure should be used? Will the limit be measured by net worth or by net current assets? Since current assets are the source from which payment is expected to be made, the wisdom of using the figure of net current assets as a measure of the extreme credit limit seems reasonable. Let the strength of the fixed assets be used merely to temper one's judgment as to whether or not a risk is justified which does not fulfill all the requirements of a first class risk when viewed in the light of the current assets. *Net current assets, therefore, may safely be accepted as a measure of the outside*

## Adolph Landauer

ADOLPH LANDAUER, pioneer Milwaukee manufacturer, who died since the last issue of the CREDIT MONTHLY went to press, prided himself upon having attended almost every annual convention of the National Association of Credit Men, from 1896 to 1923 inclusive. Failing health prevented his attending the convention at Buffalo last year.

Mr. Landauer, who reached the age of 77, had been in the wholesale dry goods business in Milwaukee for more than fifty years and until recently was active in the administration of Adolph Landauer & Son, the company which he founded.

**credit limit.** Here is an amount beyond which one would not under any circumstances want to extend credit. Nevertheless, it would be unwise, without further analysis, to take that figure as the final credit limit. For example, consider the absurdity of a ten thousand dollar line of credit being given by an office supply house to an iron foundry whose net current assets amount to \$10,000. Their case is quite different from that of a producer of pig iron who might with more reason place the limit of \$10,000 on the iron foundry account.

This introduces the factor of proportion into the problem of fixing limits. The seller of raw materials would set a much higher limit than the seller of a relatively less important commodity. The determination of the proportion of credit to allow for each commodity, using the net current assets as the base, should be, roughly, the proportion that a given commodity bears to the total annual purchases of all kinds.

### Labor a Preferred Creditor

If the iron foundry with net current assets of \$10,000 expends \$40,000 a year

for labor and materials, one might apportion the outlay somewhat as follows

Labor .....	\$15,000
Pig iron .....	15,000
Fuel .....	5,000
Miscellaneous .....	5,000

It should be borne in mind that *labor always is a creditor until he receives his pay, a creditor with a first lien on the assets.* His claim should not be overlooked in setting credit limits. In the foregoing hypothetical case, the proportions of expenditure would be:

Labor .....	37.5 per cent.
Pig iron .....	37.5 " "
Fuel .....	12.5 " "
Miscellaneous .....	12.5 " "

With current assets of \$10,000, the credit limit to the iron foundry by the pig iron producer would be \$3,750. But a further analysis of the case reveals the fact that this credit limit is much higher than is necessary. With credit terms of thirty days net, the foundry would owe for only thirty days' supply at any one time. On the assumption that the annual purchases are \$15,000, the average monthly purchases would be only \$1,250.

There is, quite clearly, no relation between the credit limit computed by this method and the amount of credit that is required. The reason is that in arriving at the figure of \$3,750, we have based the computation upon two different elements not directly related, that is, net current assets and annual operating expenditures. The relationship between these two items varies widely in different lines of business and even in different concerns in the same industry. It depends upon the turnover of the business, which is due partly to the nature of the enterprise and partly to the skill of the management.

And so we come face to face with an anomalous situation. Credit limits represent the maximum amount of indebtedness a customer is to be permitted to owe. The size of the customer's account, in practice, is determined by the credit terms; and credit terms, if we trace them back far enough, are based upon the turnover of the industry. Turnover has no direct bearing upon current assets. If we were to pursue our attempt to find a mathematical formula for setting credit limits, should we not introduce this factor of turnover? A good idea, no doubt, but difficult of attainment.

### Disregarding Turnover

The information usually available to the credit man is so limited and so incomplete that it is impossible in most cases to ascertain turnover. Therefore, it is futile to consider its use in any crude formula we might devise. Furthermore, much of the computation must be based upon surmise. For example, we would have to estimate the proportion of our sales to the total purchases of the debtor. No positive accuracy can be attained in any computation when the basic premise is a matter of conjecture. Nevertheless, we must set credit limits. Therefore, we must have some process for doing it, and the simpler the process the better. The introduction of turnover will only complicate the process and will add little to its value; for that reason we are justified in disregarding it.

One further thing must be considered which is of no little importance. In the preceding discussion we have assumed that the iron foundry purchases all of its pig iron from one producer. If the purchases were distributed among a number

## National Liberty Insurance Company

OF AMERICA

Head Office: 709 Sixth Avenue, New York  
Western Department: 207 North Michigan Boulevard, Chicago

### 66th ANNUAL STATEMENT

JANUARY 1st, 1925

ASSETS		LIABILITIES	
Bonds and Stocks .....	\$10,313,830.00	Capital .....	\$ 1,500,000.00
Loans on Bond and Mortgage .....	1,218,500.00	Premium Reserve .....	7,398,203.85
Cash .....	970,994.94	Reserve for Losses .....	939,359.83
Interest accrued .....	101,428.72	Reserve for Taxes and all other Liabilities .....	348,000.00
Premiums in course of collection .....	1,584,473.27	Net Surplus .....	4,003,663.25
	<u>\$14,189,226.93</u>		<u>\$14,189,226.93</u>
Surplus to Policyholders January 1st, 1925, .....			\$5,503,663.25
Surplus to Policyholders January 1st, 1924, .....			<u>4,502,893.19</u>
Increase in Net Surplus (after payment of dividends) ..			\$1,000,770.06

Losses Paid since organization over \$62,000,000

FIRE, MARINE, AUTOMOBILE, SPRINKLER LEAKAGE, WINDSTORM, TORNADO, RIOT AND EXPLOSION, TOURIST, BAGGAGE, USE AND OCCUPANCY, RENT AND RENTAL VALUE

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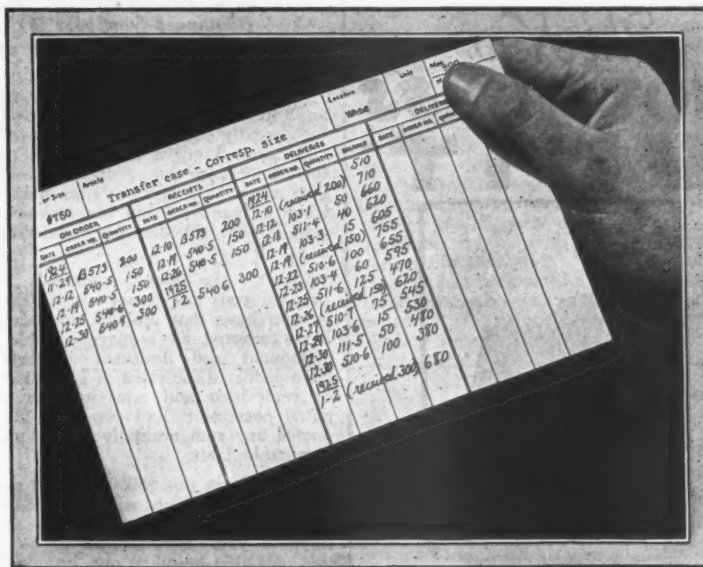
of concerns, the amount of credit extended by each would be proportionately reduced. It must be remembered that the credit limit is supposed to be the gauge that will prevent overselling to any one customer.

If a creditor expects to eat his fill at the banquet table of a debtor's assets, he must regulate his appetite not only by the size of the assets, but by the appetites of the other creditors. That is, he must estimate the proportion of his sales of a given commodity to the total purchases of that commodity by the debtor. This again introduces the element of guessing. And so the credit man is in doubt as to how many competitors, if any are looking at the current assets and expecting to draw upon them for the payment of their accounts for credit they are about to extend.

In many cases the credit man may dismiss this doubt by assuring himself that the management of the customer's business would not purchase more of any commodity than is required for normal operation. That is, the proportion taken from any one vendor would be regulated by the purchaser himself. To a great extent this is what is done in actual practice. So much confidence is reposed in the customer that he is given credit, up to his requirement, on the assumption that he will not purchase anything he is unable to pay for. In such cases the credit limit is fixed by the debtor himself. That is, if it is found that the limit set by some arbitrary process is below the amount of credit that the customer asks for, the limit is revised upward on the belief that the limit in the first place was set too low. It is safe to say that this is the way limits are regulated in a large percentage of accounts on the average sales ledger. If confidence is based upon sound reasoning, this method cannot lead to serious trouble.

The conclusion is that this useful and universally accepted device of credit limits cannot be computed with the definiteness of a mathematical formula. Whatever method of computation may be used, inaccuracies will creep in because so much depends upon conjecture. Nevertheless, the method of basing credit limits upon a proportion of net current assets has much to commend it. It is a far better method than a guess based upon a mercantile agency rating or a maximum balance on the sales ledger. It is a method that can be applied whenever a financial statement is available. It furnishes a figure that will be a guide for the routine granting of credit. It classifies customers and gives the credit manager a control over the size of their accounts.

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**THE HOTCHKISS SALES CO.**  
Norwalk Conn.

## A Credit Insurance Inquiry

(Continued from page 18)

seem to approach an adjustment with an air of suspicion."

"I wish you would illustrate just how an adjustment works out" said Hobbs. "It's mostly subtraction, I suppose. You may think I might have got all this information from the agent when he talked with me, but the truth is I am never sure, when a man is using his technical language to me, whether I am understanding it all or not."

"Well," his friend explained, "let us suppose your net losses are \$5,000; that is, you have that amount due after you have collected all moneys possible from delinquent and insolvent accounts and have deducted the value of goods returned or replevined and now in your undisputed possession, and you have also deducted any sum mutually agreed upon as obtainable later."

"Now, from this \$5,000, take 10 percent. co-insurance, which will leave \$4,500 as the provable losses under your policy. Suppose your normal loss to be \$1,000, this will also be taken out, leaving \$3,500, which will be paid to you promptly."

"These accounts are then assigned to the insuring company which, on its part, makes an effort to collect the remainder due, aggregating \$3,500. Out of the collections, 10 per cent. is refunded to you up to the \$500, originally deducted as co-insurance. Should the entire amount due finally be collected, you will get back the \$1,000 which was counted out as your normal loss, less collection charges."

There are other forms of policies making the policyholder co-insurer. The de-

termination of the best form to employ in a specific line of business is a matter for careful discussion between the two parties.

"Details you can work out with your agent. They are settled after you have decided whether or not you are going to carry credit insurance."

### Collections by the Company

"What do you think of having the insurance company make your collections for you?" asked Hobbs.

"I have the collection feature written in my policy and it impresses me as a very wise provision. It is only natural that the company having a potential liability on your accounts should be more interested in getting the largest amount of salvage possible, and the greater the salvage, the lower will be the loss. The majority of policyholders do not reach their normal loss, just as the majority of policyholders do not collect from fire insurance, (otherwise, the companies could not exist very long,) so that the better service you get in the handling of your accounts, the further you are away from losing your own normal loss."

There is this advantage too, as has been not infrequently shown, that the well directed and intense collection methods of the insuring companies have reduced the normal loss to such a point that the insurance policy may fairly be said to be costing the client nothing.

Another advantage is that the companies provide that the filing of an account with them for collection within an agreed time after it is due constitutes a form of insolvency under the policy, without any other act of insolvency taking place.

The companies maintain well equipped salvage departments, available only to their policyholders, and having only the desire to minimize the losses, it appeals to me as a very good thing for the insured. The charges for this service on collections is no more than you have to pay elsewhere; in fact, in many cases, less, and you have absolute security as to moneys collected, and a financially interested institution cooperating with you.

"One piece of advice I would give you is that, if you decided to take out credit insurance, you go over carefully with the man who sells it to you all the provisions of the policy. One of the things you and he will agree upon is what mercantile agency you will use. Dun and Bradstreet are the usual ones; but you may choose one of those operating in a special field, if you wish, such as the Shoe and Leather Agency, the Lumbermen's Credit Association and so on."

### Credit Restrictions

"In carrying credit insurance, I am very much restricted as to extension of credits, am I not?" asked Hobbs.

"You are not restricted as to allowance of credit, but you have a limit of coverage on each single account, according to the rating given by the mercantile agency used. The limits of coverage on single accounts based on ratings are specified in the policy."

"Ratings are divided into 'preferred' and 'inferior' ratings, the preferred including capital ratings with the first and second credit ratings. An additional premium is charged for coverage on inferior ratings. Every policy holder is given a summary card showing maximum coverages on the different ratings."



Fidelity Losses paid by this Company in 1924 were \$1,368,092. Many business tragedies are in those figures. And this is only one of many companies writing Fidelity Insurance.

**UNITED STATES FIDELITY  
AND GUARANTY COMPANY**  
Baltimore, Maryland

MAINTAINS A DEPARTMENT OF GUARANTEED ATTORNEYS  
WHICH RENDERS UNEXCELLED SERVICE TO MERCHANTS  
AND MANUFACTURERS.

### His Job in Danger?

"If I induce my firm to carry credit insurance, doesn't that just about knock me out of a job?" Hobbs asked. "Credits would seem to get down to a rather stereotyped procedure."

"I was waiting for that question," remarked Dobbs with a smile. "Some credit men think that, and so they avoid even bringing up the subject to the principals in their concerns. Agents say that is why credit insurance is still hard to sell. Credit men often think, 'If the house is going to be covered for losses, I shall not be needed here to try to prevent losses.' I don't feel that way, myself, because my idea is that my job is to use any methods that will strengthen the Credit Department. No man can foresee all possible misfortunes; and our insurance has given us a reserve at times when we needed it considerably. If the head of the firm should take the position that 'the office boy can look up the ratings and mark orders for shipment as long as we have credit insurance', the firm would soon reach the place where losses would make the premium so high that the insurance would be prohibitive."

"Nevertheless, I believe that every credit manager should determine for himself how valuable credit insurance would be to his firm. One man I know insists that it would be of no use to him because he sells to the large well-established retail stores at 10 days, 3 percent. A business could go to smash in ten days, of course; but still that comes pretty close to being spot cash."

"Another man I know tells me that he is forced to carry accounts for larger amounts than their rating justifies, so the premium for credit insurance would be too heavy to make it practicable. I was talking to a man the other day who carried credit insurance himself; but he remarked that there were some companies for which he does not think it advisable, one, for example, who sells 50 percent of its output to a chain of stores. To carry insurance to cover the buyers of the other 50 percent would necessitate a premium out of proportion to its protection."

"You would recommend it, I suppose, for the usual wholesaler or manufacturer. Do you know what lines of business use it most?" was Hobbs' next query.

"No, I can't answer that, although in a report got up by the Federal Reserve Board a few years ago, it was stated that credit insurance is most frequent in the lumber, iron and steel, coal, hardware, textiles, paper, advertising agencies, printing and stationery, shoe, and clothing trades, and similar fields. As far as the attitude of the credit insurance companies goes, some lines are considered more hazardous than others and the manual adjusts rates accordingly."

"How long have you carried it?"

"Twelve years," answered Dobbs.

"Well, there may be more to it than meets the eye," Hobbs conceded. "Anyway, I'll look into it further."

"Say, old man, it's been mighty white of you to thresh this all out with me. Why don't you come out and have lunch with me? There are some things I can tell you, if you have still managed to escape the bite of the radio bug. I've just got a new set. Last night I got Miami, Chicago, Detroit, San Francisco and . . . . ."

The clank of the elevator door, as the two friends dropped from sight, cut off the rest of the radio fan's speech.

### Book Keeping Devices

(Continued from page 16)

There was a time when bookkeeping departments were at a loss as to how to solve the problem of the Monday morning blues, the morning-after headaches and the afternoon sluggishness and all the other kindred demoralizing factors, with their consequent disastrous effect on accurate and rapid bookkeeping. But the use of this machine is the literal answer to the problem.

A problem in mechanical make-up confronted me in the arrangement of the statements. They are printed on the top with the firm name, etc., and below this the name of the account is inserted. This

left only one-half a page on which to make the entries. In many cases so little space was inadequate to list all the items, making a second sheet necessary, which was not at all desirable. I finally devised the plan of using the entire back of the statement which had heretofore been left blank and thus giving us a full page on which to make the entries. A footnote in bold type declares that the statement is on the reverse side.

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# The Business Library

By Frank A. Fall, Litt.D.

Director of Education and Research, National Association.

## Montgomery on Income Tax Procedure—1925

INCOME TAX PROCEDURE—1925.  
Robert H. Montgomery, C. P. A. Ronald  
Press Co., N. Y. 1925. 1598 pp. \$12.

Accountants and others who are concerned with income tax problems have by this time discovered the difficulty of keeping up with the devious twists and turns of the law, and of its manifold interpretations in the form of official decisions. Many appear to have come to the conclusion that Colonel Montgomery, at least, is able to keep pace with affairs at Washington, no matter how rapidly they progress; and this doubtless explains the wide popularity of what has come to be regarded as a standard annual handbook of income tax procedure.

This is the ninth annual edition. It explains the law and its application for every item in the tax return for 1924,

covering individuals, corporations and fiduciaries. It treats fully of the Revenue Act of 1924 and the new Regulation 65 under which the 1924 returns must be prepared. The author also covers rulings and regulations on the previous laws in so far as they still apply either to present returns, or to past returns which may still be under audit.

Decisions of importance recently handed down by the U. S. Supreme Court and the lower courts are analyzed and their significance is appraised. Attention is called, for example, to a decision rendered in 1924 which, if affirmed by the Supreme Court, will reduce the tax of every corporation that reported on a fiscal year basis for 1917 and paid an excess profits tax for that year, providing the corporation protected itself by filing a claim for refund.

The author gives, in his discussion of the new Revenue Act, considerable prominence to the wise provision of the law establishing a Board of Tax Appeals, to which appeals may be taken by taxpayers from any proposed assessments of additional taxes. About 70 pages are devoted to explaining in detail the Board's rules of procedure and the various steps that must be taken in preparing and presenting a case before the Board. Included also is a valuable set of forms.

The volume treats adequately the new bases for taxing estates and calculating the tax on undistributed profits of corporations. Of particular interest to taxpayers is the change in the provision of the law regarding capital gains and losses, which now allow as a deduction only 12½ per cent. of capital losses as against 100 per cent. under the old law.

One new feature of the Revenue Act of 1924 is the "gift tax," or tax on transfers by gift, which represents an innovation in Federal taxation. This the author treats with characteristic thoroughness and at the same time discusses the constitutionality of the tax.

There are many other points of difference between the new law and the old, and they have received careful consideration. It is shown, for example, that in reorganizations many transactions that were tax-free under the 1921 law are now taxable. It is also suggested that those who have sold, at a loss, capital assets held more than two years should study the new provisions of the law very carefully, because complicated situations may arise where capital and net losses are incurred in the same year.

The arrangement of the material is excellent, as it follows the order in which it is to be used in connection with returns. A book which contains such a mass of detailed data obviously requires complete and careful indexing. This is fortunately provided in a general index of more than a hundred pages. There are also special indices covering sections of the law, Treasury regulations, Treasury rulings, and cases and decisions of the Board of Tax Appeals.

## The Eagle Almanac

THE BROOKLYN EAGLE ALMANAC—1925. The Brooklyn Daily Eagle, Brooklyn, N. Y. 584 pp. Cloth, \$1.50.

The Brooklyn Daily Eagle and the New York World should have a joint celebration, for 1925 marks the fortieth anniversary of the two almanacs which are used wherever men read the English language.

Comparisons are not particularly called for. Many business offices have the two almanacs side by side on the reference shelf. The World publication has more pages; the Eagle contains a somewhat stronger local flavor, accentuated by the contribution of a remarkable map of Greater New York tucked snugly into a pocket inside the front cover.

There is a list of the members of the new Senate and House of Representatives, for the use of all who are interested in the Sixty-ninth Congress which will come into existence March 4, 1925. Astronomical calculations for 1925 are comprehensive and authoritative. The section on banking has been reconstructed. True to Brooklyn traditions, the Eagle has a carefully prepared chapter on churches; and there is a complete and accurate directory of societies and associations.

In a word, the Eagle Almanac for 1925 runs true to form, and that is all that is asked of it by business men who have found it useful year after year.

## The Book of Facts—1925

THE WORLD ALMANAC—1925. The New York World, N. Y. 880 pp. 50 cts., postpaid.

This is the fortieth annual edition of an American fact-material manual which is known and used in every part of the globe. Very few publications have as clear a title to the much abused adjective "indispensable" as has this well-arranged comprehensive ready-reference book.

Its nearly 900 pages contain the history of the United States, and virtually of the entire world, for 1924. We have not verified by actual count the publishers' claim that the index points the way to a million facts, but from use of the Almanac over a period of many years we stand convinced that the carefully revised tabulated statistics are up to date and thoroughly dependable.

All the great problems of 1924 and 1925 are reflected here—the Dawes Plan, immigration, income tax, enforcement of the prohibition law, air fleets of the great powers, balance-sheet of the American farmer—and so on to the end of a long and varied list of important topics.

The record of the presidential year is covered by 48 pages of election returns by states, the popular and the electoral votes in the last nine campaigns, and the reports of the National Conventions, with the three party platforms in full.

In addition to the regular edition at 50 cents, postpaid, the Almanac may be obtained in a cloth binding at 90 cents. The clothbound copies are, in many offices, kept available for permanent reference use.

## New Light on Taxation

PUBLIC FINANCE. Harley Lelst Lutz, Ph.D. D. Appleton & Co., N. Y. 1924. 681 pp. \$4.

Sound economic theory and practical experience in taxation work are both reflected in this thorough-going treatise by Professor Lutz, who has yielded to the lure of California and migrated from Oberlin to Leland Stanford.

"The State Tax Commission," which



### Here's Credit Measurement For You —the kind that rarely fails

This new book gives you the complete facts about the most scientific methods of credit measurement—the methods applied by banks—methods, however, that are applicable everywhere in modern business, including your own particular field.

The book is packed with information you will be glad to have. Examine it for ten days free.

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The book gives you a complete explanation of the best modern methods of determining what is a good credit risk. All of the points involved are covered. All of the latest tests are given.

There are splendid chapters on the use of budgets and estimated future balance sheets as credit information, the justification of the twenty percent rule in loan work, investigation, statement analysis agencies, reports, letters, interchange of credit information, service statistics, ethics, and so forth.

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came from the pen of Dr. Lutz in 1918, doubtless led to his appointment as economic advisor to the Joint Taxation Commission of the 83rd Ohio General Assembly in 1919. In that capacity he had to wrestle with tax problems both numerous and puzzling. That they did not succeed in pinning his shoulders to the mat is clearly evidenced by this book.

Although the collection of public revenue and its disbursement through the various avenues of governmental expenditure are of vital concern to all of us, the average man appears to have no very clear-cut appreciation of the fact. We regard taxes as one of the necessary evils of life, and influence them just about as much as we do the weather. This may be because we have thought of them as too occult and mysterious for ordinary human understanding.

Enters now Dr. Lutz and promises to rend the veil. What is more, he makes his promise good, and translates into concrete terms the principles which underlie the levy of taxes, the expenditure of public money and the use of public credit.

Credit executives will naturally be particularly interested in Part V of the book, which concerns public credit. This section contains chapters on "The Nature and Uses of Public Credit," "Principles of Public Credit," "The Forms of Debt," "Exemption, Refunding and Conversion of Debt," and "Local Debts."

For those who feel that they cannot tackle a book of 681 pages, but would like to "dip in," the 25 pages constituting Chapter XXV are recommended. In this chapter Dr. Lutz shows how the advantage of public borrowing depends on its purpose; indicates the basis of public credit, which must be tested by business standards; inquires as to when it is legitimate to borrow and when not; discusses the economic effects of public borrowing and debt repayment; and gives special consideration to the important problem of borrowing for war purposes.

### Another Harvard Casebook

PROBLEMS IN BUSINESS ECONOMICS.  
Homer B. Vanderblue, Ph. D. A. W.  
Shaw Company, Chicago. 1924. 631  
pp. \$5.

It is doubtless too early to make a dependable appraisal of the value of the case method for instruction in schools of commerce and business administration. Whether it will eventually work out as well as it has in certain law schools is something that time will tell, but the time is not yet. Meantime, the number of texts prepared by the Harvard group and published by Shaw continues to increase. If not a five-foot shelf, at least a one-foot shelf is required to accommodate the volumes now ready in the Harvard Series of Business Problem Books.

This text by Dr. Vanderblue, Professor of Business Economics in the Graduate School of Business Administration and Economist of the Harvard Committee on Economic Research, has a strong managerial slant. It aims, as does the course in advanced business economics given in the Harvard Business School, to stress the importance, in the forming of executive judgments, of generally accepted economic principles, and particularly those principles which have been developed in recent studies of the business cycle.

The book has three main divisions. The first has to do with the business cycle; the second, which in bulk comprises a full two-thirds of the volume, presents a varied selection of financial, operating and distribution problems; the third

comes back to the measurement of the business cycle, one of its important chapters reproducing, with minor editorial changes, the pamphlet of instruction for subscribers of the Harvard Economic Service, which was prepared by Professor W. L. Crum, statistician of the Harvard Committee on Economic Research.

In the first section Professor Vanderblue attempts a summary of the business prices, costs and output. He deals theories of crises, cyclical movements of prices, costs and output. He deals thoroughly with forecasting, and treats cyclical variations in manufacturing and mining, employment, advertising, retail merchandising, bond yields and money rates. This section is concluded with a special chapter on "The Control of an Industry in the Business Cycle," based largely on the experience of the Walworth Manufacturing Company, as reported by its president, Mr. Howard Cooley.

The 415 pages of the second section give this work its case-book quality. The problems are collected from a great variety of concerns and are presented for analysis and decision in the form in which they have come across the desks of business executives. The first group (financial problems) brings out some consequences of the crisis of 1920 and centers around such topics as commercial banking and the business cycle, the marketing of securities, and government aid to agriculture. The second group (operating problems) concerns purchasing and inventory problems in prosperity and depression, expansion of operations, and labor relations in "good and bad times." The third group (distribution problems) has five divisions, relating respectively to the economics of price determination, customer relations, advertising, extensions of sales operations, and relations with the government.

The volume is, as may be said of all the books of this series, attractively printed and bound. In general it keeps to its purpose with admirable directness. If there is any unfavorable criticism of it to be made, it is that the author occasionally repeats himself in a way that can scarcely be defended on the rhetorical ground of "repetition for emphasis." For

example, certain material on the General Motors Corporation, appearing in an operating problem on page 315, is repeated almost verbatim in a distribution problem on pages 402 and 403. In addition, there is a misplaced line in a statistical table which appears to put New Jersey in a class by itself, all of the other states concerned being arranged alphabetically. However, one must scan the text very closely to find even piccadilloes. The repetition of the material on General Motors may have been consciously intended, on the theory that in some courses only one of the two problems might be used and it was therefore expedient to have the essential facts stated in both the operation and distribution sections.

### Library Serves Credit Men

By J. P. Abernethy

Sec., Richmond Assn. of Credit Men

THE story of how the organized credit men in a southern city made systematic use of the local Public Library, may be of interest to those who follow the Business Library Department in the CREDIT MONTHLY.

The Librarian of a Public Library was asked to prepare a list of books which would be of value to credit executives. She gave a great deal of attention to the request, talked the problem over with several of the local credit association secretaries and worked up a list covering the fundamentals of economics and business. Some of the books were rather formidable, others were shorter and therefore easier for a busy executive to read.

I noticed a number of title of these books in the list of "One Hundred Books for Executives," prepared by Librarian Dana of Newark, N. J., and printed in the CREDIT MONTHLY for January of this year.

### Circulating the Books

It was then arranged that the association secretary should send the list to all his members with an offer to supply any two books on the list.

A considerable proportion of the members availed themselves of this library

## Great American Insurance Company New York

Choose  
Your  
Company

INCORPORATED - 1872

Choose  
Your  
Company

CAPITAL

\$12,500,000

LOSSES PAID POLICY HOLDERS

\$164,897,335.64

FIRE, MARINE AND KINDRED INSURANCE

HOME OFFICE, ONE LIBERTY STREET  
NEW YORK CITY

AGENCIES THROUGHOUT THE UNITED STATES AND CANADA

service which, of course, had always been available, but might never have been known without the initiative of the credit men's association.

The credit men also made suggestions to the librarian of new titles of books especially valuable to business men. These suggestions were acted upon, to the improvement of the city's library as a practical aid to its citizens.

## Fighting Unfair Competition

(Continued from page 22)

The Chamber's Department of Manufacture sees the problem as one in which both the public and industry are equally concerned,—the public through the rehabilitation of the prisoner and his return to society, and industry through the injection of the State into business competition with its own citizens. The Department has announced its intention of continuing its inquiry, co-operating with all agencies concerned in finding a solution.

So far as corrective legislation is concerned, the garment manufacturers and their associates are concentrating on support of the Fess-Parker bill. This is S. 3482, introduced by Senator Fess of Ohio and referred by the Senate to its Committee on Interstate Commerce. In the House it is known as H. R. 9491, introduced by Representative Parker of New York and referred to the House Committee on labor.

As the Fess-Parker bill is unquestionably the most important measure now pending which affects prison labor competition, it is here reproduced in its entirety for the use of readers of THE CREDIT MONTHLY:

### A BILL

To regulate interstate commerce in articles made by convict labor.

BE IT ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES OF AMERICA IN CONGRESS ASSEMBLED,

That it shall be unlawful for any person knowingly to sell, ship, or offer for sale or shipment in interstate commerce any article manufactured, fabricated, or processed, in whole or in part, in any State or Federal prison, penitentiary, or reformatory, or in any factory or establishment in which convict labor is employed, unless such article, its immediate container or covering, and the package or container in which it is offered for ship-

ment are legibly and conspicuously marked, stamped, branded, or labeled in as permanent a manner as the nature of the article, container, covering, and package will permit, so as to indicate that such article was made by convict labor or made in an establishment employing convict labor.

Sec. 2. It shall be unlawful for any person to alter, mutilate, destroy, obliterate, or remove any mark, stamp, brand, or label required by this ACT to be placed on any article, container, covering, or package, if it is being—

(a) Shipped in interstate commerce; (b) Held for sale or exchange after having been so shipped; or

(c) Held for sale or exchange in any Territory or possession or in the District of Columbia.

Sec. 3. The Secretary of Labor shall enforce the provisions of this ACT, and shall prescribe rules and regulations for such purpose. It shall be the duty of each district attorney to whom the Secretary of Labor or other Federal officer shall report any violations of this ACT, or to whom any officer or agent of any State, Territory, possession, or the District of Columbia shall present satisfactory evidence of any such violation, to cause appropriate proceedings to be commenced and prosecuted in the proper courts of the United States, without delay, for the enforcement of the penalties provided in section 4 of this ACT.

Sec. 4. Any person who violates any of the provisions of this ACT shall be guilty of a misdemeanor and shall be fined not more than \$200 for the first offense, and for each subsequent offense shall be fined not more than \$300, or be imprisoned for not more than one year, or both.

Sec. 5. When used in this ACT—

(a) The term "interstate commerce" means commerce between one State, Territory, or possession and any other State, Territory, or possession, or between the District of Columbia and any State, Territory, or possession, or the District of Columbia, but through any place outside thereof, or within any Territory, possession, or the District of Columbia.

(b) The term "person" includes an individual, partnership, association, and corporation.

Sec. 6. The provisions of this ACT shall not apply to the sale or shipment or offer for sale or shipment of articles to the United States, the District of Columbia, a Territory, or possession, a State or any political subdivision thereof.

## Addresses Wanted

**APPLEBY, CHARLES**, formerly doing business at Henderson Point, Post Office Address, Pass Christian, Miss.

**BIERMAN & FRANZEL**, recently in business at Belleville, Ill. Previously located at Granite City, Illinois.

**BOWDOIN, PHILIP**, formerly connected with the Charter Oak Roofing Company and the National Roofing Company, at Hartford, Conn.

**HUSH, MRS.**, formerly located at 1025 Atlantic Avenue, Atlantic City, New Jersey. Last heard of in Jacksonville, Florida.

**CEROX MINERAL PAINT COMPANY**, 2546 West 47th Place, Chicago, Ill.

**COMFORT, MRS. OPAL**, formerly of Casper, Wyoming.

**DRYSDALE, W. D.**, formerly of Dover, Delaware.

**EASTON, JAKE**, formerly located at Antlers, Oklahoma.

**FORTUNE, A. T.**, formerly of Houlton, Maine.

**GABBERT, V. A.**, recently operated the Inn Library, Kew Gardens Inn, Kew Gardens, N. Y.

**GARDNER, C. O.**, formerly conducted a bakery at New London, Conn. Understand he is now in or around Philadelphia, Pa.

**HANLEY, S. K.**, formerly of Reading, Pa.

**HARRELL, THOS. J.**, formerly of Huntington and Pennville, Indiana.

**HARTMAN, S. S.**, formerly of Blackwood, New Jersey.

**HILEMAN, H. L.**, formerly at 1030 Meridian Street, Indianapolis, Ind.

**HOFFMAN, J.**, formerly located at 14 West Jackson Avenue, Corona, Long Island, N. Y.

**HOUST, HENRY**, formerly of 47 Broadway, Newburgh, N. Y.

**JOHNSTON, F. L.**, proprietor of the Johnston Supply Company at 1200 Market Street, Harrisburg, Pa.

**KANNAN, K. & Co.**, formerly of Wendol, North Carolina.

**KOPPEL, HENRY**, formerly in business at Cordele, Albany and Americus, Georgia. Understand to now be in New York City.

**KOWALSKY, Y.**, recently located in Newark, New Jersey.

**LANDAU, FRANCES**, formerly operated a specialty shop in Troy, N. Y.

**LEDFOUR, W. L.**, Prentiss, North Carolina.

**LINN, DAVE**, formerly of Fort Wayne, Indiana. Understand he is now located in Baltimore, Md.

**MEGEE, MR.**, recently operated the Fischer Candy Company at 30 West Front Street, Trenton, New Jersey.

**MEDOLDRICK, J. C.**, formerly of 123 Church Street, Boston, Mass.

**MATHEWS, A. B.**, formerly operated the Duncan Self Help Grocery, Duncan, Oklahoma. Believed to be somewhere in Mississippi.

**O'ROURKE, J. L.**, proprietor, Leach Motor Company, formerly located at Dallas, Texas.

**PRATHER, J. M.**, formerly connected with the Eclipse Mattress Company, at Baltimore, Md.

**QUACKENBUSH, LAYTON C.**, formerly traveling salesman for Machinery and Engine companies.

**RODSTEIN BROS.**, recently located at 468 Fourth Avenue, New York City.

**ROTHSTEIN, J.**, formerly located at 438 West Broadway, New York City.

**RUBIN, M.**, formerly connected with the Acme Furniture Company, Philadelphia, Pa., also the Fischer Bedding Company, Atlantic City, N. J.

**SHINGLETON, SAM**, formerly of Tullahoma, Tenn.

**SISSON, J. B.**, a dairyman, formerly of Simsbury, Conn. Last heard of in Georgia.

**SUTCLIFFE, R. E.**, Weston, Mass.

**THATCHER, W. R.**, formerly in business at Reynolds, Indiana.

**TRADER, S. W.**, a painter, formerly at 56 Frances Street, New Britain, Conn. Recently said to be interested in an oyster business in Bridgeport, Conn.

**TUCKER, H. L.**, specialty salesman, formerly of Richmond, Virginia, and Rocky Mount, North Carolina.

**VAIL, CARL J.**, formerly at 4903 Montgall Avenue and 4104 Olive Street, Kansas City, Missouri.

**WALLIN, LEWIS**, formerly of 127 South 3rd Street, Brooklyn, N. Y.

**WIESSBERG, IRVING**, recently trading as Liberty Art Embroidery Shop, at 127 Liberty Street, New York City.

## Globe & Rutgers Fire Insurance Co.

HOME OFFICE: 111 William St., New York

Issues policies against

Fire Marine Tornado Earthquake Flood Hail Explosion

Transportation Hazards Riot and Civil Commotion

Also writes AUTOMOBILE INSURANCE against

FIRE, THEFT, COLLISION, Etc.

JANUARY 1st, 1925

Assets as of January 1st, 1924	\$60,654,703.06
Capital	3,500,000.00
Surplus to Policyholders	23,310,623.92
All other Liabilities	37,344,079.14

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### EXECUTIVE CREDIT MANAGER available.

Has been through the mill.

For the past fifteen years with one of the largest U. S. corporations in the food line. Recent years, and now, managing foreign branch, in full charge of Credits and Sales with annual business close to one million dollars. Speaks and writes fluently French and German and some Spanish.

First class references. Address advertisement 1033.

### Positions Wanted

**BANKING, CREDITS, OFFICE MANAGEMENT**—Christian, married man, in late thirties, with 18 years' experience in banking from runner to head teller and assistant to chief clerk, and with 4 years' experience in commercial credits, finance and office management, desires to make his second change in over 20 years for reasons beyond his control; highest endorsements furnished from former and present employers; banking connection preferred; minimum salary \$3,000. Address Advertisement 1023.

**CREDIT MAN**—Desiring commercial connection, age 25, married, university training. Seven years' experience in present position handling credits in one of the largest banks in New York City. Five years in executive position; also foreign service. Competent to take full charge of domestic or foreign credits or both. Capable of handling the technique of financing trade, domestic and foreign, foreign markets and trade methods. Versed in five languages. Address Advertisement 1024.

**CREDIT MAN OR ASSISTANT**—Ten years' experience with large silk commission house, handling silks, ribbons, cotton goods, etc.; has large following among jobbers, retailers and cutting up trades; can check credits, analyze financial statements, interview customers seeking credits, take care of correspondence, etc. Address Advertisement 1025.

**YOUNG MAN**—Age 24, now employed, would like to locate in New York City or Hartford, Conn., with wholesale house offering an opportunity to acquire practical experience in credits and collections. Has had 4 years' office experience with life insurance. Studied under competent instructors the technique of credits, collections and business correspondence. Available on short notice. Salary must be sufficient to meet moderate living expenses and cost of an advanced course in credits, collections and business economics. A-1 references. Address Advertisement 1026.

**CREDIT, OFFICE AND FINANCIAL MANAGER**—Connected with a prominent men's apparel manufacturing concern for a great many years, desires new connection. Not restricted to above mentioned line and willing to leave city. A-1 references. Address Advertisement 1027.

**CREDIT AND COLLECTION MANAGER**—Seeks position with a future assured. Twenty years' experience with large manufacturer. Eminently successful at my job of collecting. Excellent reason for making a change. Age 42. Will locate anywhere in New York State. Address Advertisement 1028.

**CREDIT MAN WANTED**—A large Chicago wholesale house in expanding its sales throughout the South, desires services of young, dependable credit manager. Must have at least five years' experience. Write full particulars. Address Advertisement 1029.

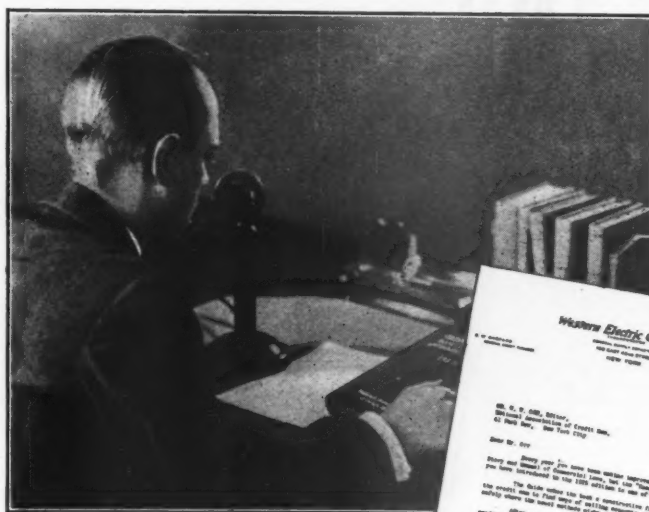
**CREDIT AND COLLECTION MANAGER**—Age 30, Christian, married. Ten years food products and drugs. Analyzed financial statements. Represented at bankruptcy meetings, etc. Address Advertisement 1030.

**CREDIT DEPARTMENT ASSISTANT**—Young man well recommended for initiative, ability and trustworthiness. Ten years' experience in credits, collections and general correspondence, accounting, business law. Thoroughly familiar with routine; good education. Address Advertisement 1031.

### Canadian Friends Borrow Credit Playlet

Members of the Canadian Credit Men's Association who attended the international credit congress in 1924, the 29th Annual Convention of the National Association of Credit Men at Buffalo, took away with them a pleasant impression of the playlet staged by the Tacoma Association of Credit Men, entitled "How to Sell Membership."

This is shown by the fact that a request has come to Mr. Martinetti, author of the playlet, from the Canadian Credit Men for the manuscript of it, in order that it may be produced in various local credit men's associations in Canada. The play was put on by Mr. F. A. Martinetti and Mr. and Mrs. F. B. Nye.



### The Answer is in the Diary!

Have at your right hand  
the edition for  
**1925**

The Diary and Manual of Commercial Laws this year includes important new details, and offers to the Credit Man a source of information on all points of a credit transaction from the incipience of the order to the closing of the account.

**I**GNORANCE of the legal aspects of credit extension fills the courts with many unnecessary cases and makes constant communication over minor details a burden and annoyance to both attorney and Credit Man.

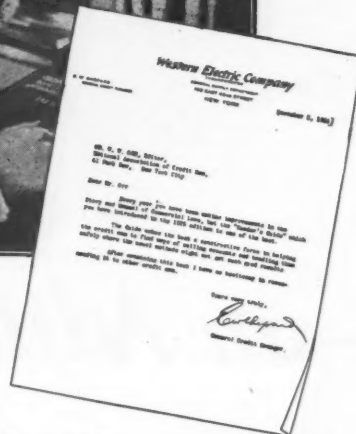
The user of this manual finds that obstacles encountered can easily be set aside by reference to its pages, which cite the latest laws in the various states. Unlike other channels to the law this volume presents facts in the language of the layman. Superfluous detail is omitted in the clear analysis made by Credit Men from the Credit Man's point of view.

Though the mass of detail with which the Credit Man must be familiar cannot be memor-

**ORIGINALITY** in constructing an advertisement is often productive of results when conventional methods fail.

This advertisement is written by a young credit executive who believes in the possibilities of the profession, and knows what can be accomplished through constructive credit methods.

His services as credit manager may be obtained by a progressive house offering opportunities of utilizing the qualities an extensive, practical and theoretical training has developed. Or possibly there is a real leader in the profession who is seeking an assistant worthy of him. This connection would be desirable provided the opportunity to eventually to enter higher fields is apparent. Address Advertisement No. 1032.



### The Reader's Guide Will Tell You How

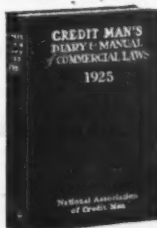
ized, it must be accessible. Use the Manual as an annex for your memory.

Among those important subjects treated are: Sales, Contracts & Cancellations, Guarantees, Exemptions, Foreign Corporations, Chattel Mortgages, Consignments, Negotiable Instruments, Acceptances, Liens, Trusts & Combinations, Liability, Bankruptcy, Assignments, Bulk Sales, Bad Check Laws, Attachments, Interest, False Statements, Fraud, Claims, Income & Stamp Tax, and numerous others. Tables in connection with the various laws and discussions render the information more comprehensive, and important court decisions bearing on the various factors make the book of real value in handling difficult situations.

The Diary & Manual of Commercial Laws will be sent for FREE EXAMINATION without obligation on your part. If, after 5 days, you decide to keep it, you may remit \$4.00, the cost of this book.

HAVE YOU YOUR COPY?

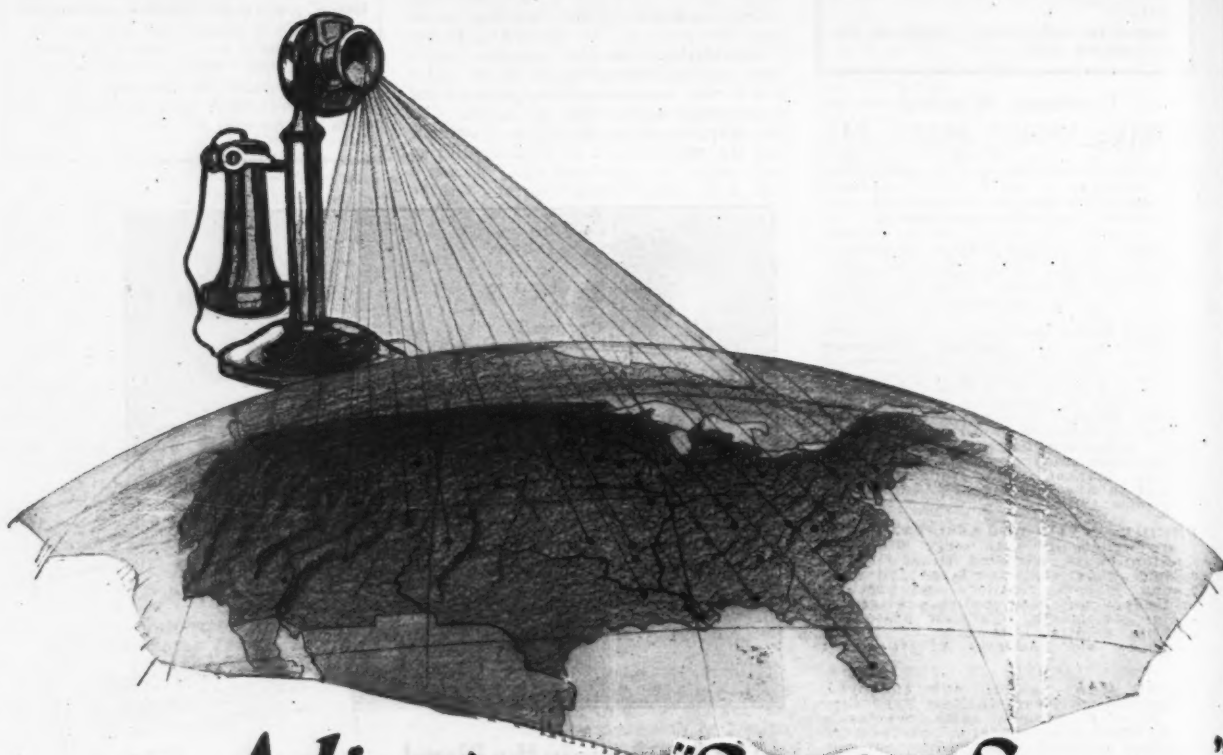
**NATIONAL ASSOCIATION  
OF CREDIT MEN**  
41 Park Row, New York, N. Y.



**SIGN—CLIP—MAIL TODAY!**  
Mail to: National Association of Credit Men, 41 Park Row, N. Y. C.  
Enclosure: Please send me a copy of the Diary on book or remit \$4.00.  
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LEGENDS ON  
OPPOSITE PAGE:  
A—Indicates Bureau  
not handling Personal  
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**T**HE National Association of Credit Men, through its Adjustment Bureaus, extends a helping hand to business in every section of the United States.

Eighty "Service Stations"—there is one near you, or near that case that is bothering you—stand ready to conduct personal investigations or make adjustments of a debtor's condition; to serve in a fiduciary capacity in friendly adjustments of any character, except bankruptcies, for the good of all creditors; to serve in a fiduciary capacity in bankruptcies, in addition to attending hearings even though a representative of the Bureau is not receiver or trustee; to handle collections in their respective cities or forward them. (See legend to right).

Collection Items are received by a Bureau with the understanding that should developments indicate the necessity of action for all creditors, the interest of one shall be subservient to all. Each claim submitted should be accompanied by complete data and instructions.

Here is your opportunity to help yourself and serve the cause of efficient credit methods. Make use of it. For further information, write National Adjustment Bureau Dept.

National Association of Credit Men  
41 Park Row New York

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- San Diego—Wholesalers Board of Trade & Credit Association, 673 Spreckles Bldg. Carl O. Ketsloff, Mgr.; Pres., M. E. Eurns, Klauber-Wangenheim Co. (A B)
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- Tampa—5 Roberts Bldg. S. B. Owen, Mgr.; N. M. McLeran, Chairman, care C. B. Witt Co.
- GEORGIA**—Atlanta—500 Chamber of Commerce Bldg. C. L. Williamson, Mgr.; J. H. Sutton, Chairman, J. K. Orr Shoe Co.
- Augusta—313-15 Lamar Bldg. W. B. Oliver, Mgr.; P. H. Dunbar, Chairman, care Clark Milling Co.
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- ILLINOIS**—Chicago—Suite 944, 1st Nat'l Bank Bldg., 38 So. Dearborn St. Mgr., D. J. Evans; C. D. Craig, Horine & Bowey Co., Chairman.
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- Davenport—First Nat. Bank Bldg. H. B. Betty, Mgr.; Pres., William Blaser, Independent Baking Co. (A B)
- Des Moines—812 Valley Natl. Bank Bldg. Don E. Neiman, Mgr.; W. E. Muir, Luthe Hdwe. Co., Chairman.
- Ottumwa—Phoenix Trust Bldg. Wm. A. Hunt, Mgr.; Chairman, J. Spurgeon, Sam Mahon & Co.
- Sioux City—601 Trimble Bldg. J. B. Murphy, Mgr.; P. A. Lucey, Asst. Mgr.; Chairman, L. Motz, Armour & Co.
- KANSAS**—Wichita—901 First National Bank Bldg. M. E. Garrison, Mgr.; J. B. House, Chairman, care Lehmann Higginson Grocery Company. (B)
- KENTUCKY**—Lexington—412 Fayette Nat. Bank Bldg. John D. Allen, Mgr.; J. W. Parrish, Chairman, care Van Deren Hdwe. Co. (A B)
- Louisville—3rd Floor, Kenyon Bldg. S. J. Schneider, Mgr.; V. F. Kimbel, Chairman, Ballard & Ballard.
- LOUISIANA**—New Orleans—608 Louisiana Bldg. T. J. Bartlette, Supt.; George Grundman, Chairman, Albert Mackie Co.
- MARYLAND**—Baltimore—I. L. Morningstar, Sec. Mgr., 301 West Redwood St.; H. W. Bennett, Chairman, care Baltimore Assn. of Credit Men. (A)
- MASSACHUSETTS**—Boston—136 Federal St. H. A. Whiting, sec'y; Charles Fletcher, Chairman, care Cumner Jones Co. (B)
- MICHIGAN**—Detroit—1012 First National Bank Bldg. O. A. Montgomery, Mgr.;
- Chas. E. French, Chairman, care Cadillac Machinery Co.
- Grand Rapids—450 Houseman Bldg. H. L. Boggs, Sec'y-Mgr.; Bert Saunders, Chairman, Gailmeyer-Livingston Co.
- MINNESOTA**—Duluth—Duluth Jobbers Bureau, Inc.; 415-19 Lonsdale Bldg. E. G. Robie, Mgr.; C. H. Whitmore, Chairman, Gowan-Lenning-Brown Co. (B)
- Minneapolis—See St. Paul.
- St. Paul—The Northwest Jobbers Credit Bureau, 241 Endicott Bldg., St. Paul, Minn.; W. A. Martin, Mgr.; W. C. Rodgers, Asst. Mgr.; Pres., C. D. MacLaren, care Farwell Ozmum Kirk Company. (B)
- MISSOURI**—Kansas City—Missouri Valley Interchange & Adjustment Bureau, 315 Hall Bldg. A. E. Adam, Mgr.; Chairman, Ross Crutcher, Nichols Wire Sheet & Hdwe. Co.
- St. Joseph—See Kansas City.
- St. Louis—510 Locust St. Orville Livingston, Mgr.; Chairman, W. E. Tarlton, Brown Shoe Co.
- MONTANA-WYOMING** A. C. M.—Billings—Box 1184, Raymond Hough, Mgr.; W. A. Blume, Russell-Miller Milling Co., Pres.
- Butte—116 W. Parks St. J. M. Evans, Jr., Mgr. (B)
- Great Falls—Northern Montana Association of Credit Men, 215-17 Ford Bldg. C. L. Voelker, Manager; E. L. Strohehn, Chairman, Montana Flour Mills. (B)
- NEBRASKA**—Lincoln—See Omaha.
- Omaha—411 Wilkinson Bldg. G. P. Horn, Mgr.; Chairman, E. P. Trussell, Armour & Co.
- NEW JERSEY**—Newark—North Jersey Association of Credit Men, 760 Broad St., Room 11. G. A. Boyce, Mgr.; A. C. Gibbins, Chairman, Johnston & Murphy. (B)
- NEW YORK**—Buffalo—704-705 Erie County Bank Bldg. L. E. Chandler, Mgr.; Ira D. Johnson, Chairman, care Wm. H. Walker & Co.
- NORTH CAROLINA**—Charlotte—21 So. College St., L. S. Sloop, Mgr.
- OHIO**—Cincinnati—Citizens National Bank Bldg. John L. Richey, Mgr.; Edw. G. Schultz, Chairman, L. K. LeBlond Machine Tool Co.
- Cleveland—322 Engineers Bldg. Hugh Wells, Mgr.; S. E. Gross, Chairman, The Footeburt Co.
- Columbus—Central Ohio Credit Interchange & Adjustment Bureau, 514 Clinton Bldg. J. E. Fagan, Mgr.; Chairman, Raymond Link, Ohio Natl. Bank.
- Dayton—709 Schwind Bldg. A. M. Barrett, Mgr.; Paul L. Schneider, Sec.; Standard Register Co.; Pres. Lloyd Van Dyne, Winters Nat. Bank.
- Toledo—National Bldg. Geo. B. Cole, Mgr.; J. V. Davidson, Chairman, Davidson Lumber Co.
- Youngstown—1105 Mahoning Bank Bldg. H. B. Doyle, Mgr.; Chas. Johnson, Chairman, The Rose & Johnson Co. (B)
- OKLAHOMA**—Oklahoma City—713 Herskowitz Bldg. A. L. Smith, Mgr.; C. H. Hogan, Chairman, care Carroll, Brough & Robinson.
- Tulsa—420-21 Central Natl. Bank Bldg. V. P. Wilson, Mgr.; J. H. Mitchell, care of Goodner-Mitchell Co.
- OREGON**—Portland—671 Pittock Bldg. G. W. Ingram, Executive Secretary; E. Don Ross, National Director, care Irwin Hudson Co.
- PENNSYLVANIA**—Allentown—Lehigh Valley Association of Credit Men, 403 Hunsicker Bldg. J. H. J. Reinhard, Mgr.; Geo. T. Haskell, Chairman, care Bethlehem Brick Co., Bethlehem, Pa.
- Johnstown—Box 905, R. H. Coleman, Mgr.; E. F. McGinley, Anderson Paper & Twine Co.
- New Castle—322 Safe Deposit & Trust Co. Bldg. Roy M. Jamison, Mgr.; W. F. Moody, Chairman, care G. W. Moody & Son. (A B)
- Philadelphia—1502-1512 North American Bldg. David A. Longacre, Mgr.; Jno. T. Brown, Jr., Chairman, Haines, Jones & Cadbury Co.
- Pittsburgh—1213 Chamber of Commerce Bldg. H. M. Oliver, Mgr.; F. M. Weikal, Chairman, care A. J. Logan Co.
- RHODE ISLAND**—Providence—87 Weybosset St., Room 32A. Harry R. Morrissey, Commissioner; R. S. Potter, Chairman, Pawtucket Sash & Blind Co., Pawtucket, R. I. (A)
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- Knoxville—American National Bank Bldg. W. E. Bybee, Mgr.; W. E. Bickley, Bickley Clo. Co., Chairman.
- Memphis—668 Randolph Bldg. E. N. Dietler, Mgr.; A. S. Ullathorne, Chairman, Currie McGraw Co. (B)
- Nashville—805 Stahlman Bldg. Chas. H. Warwick, Mgr.; Chairman, C. P. Wilson, Fletcher-Wilson Coffee Co.
- TEXAS**—Austin—P. O. Box 1075. Mrs. R. L. Bewley, Mgr.; Pres., Geo. W. Tod, 120 East Fourth St., Austin, Texas. (A B)
- Dallas—North Texas Adjustment & Interchange Bureau, Chamber of Commerce Bldg. Vernon Hall, Mgr.; C. H. Dollison, Chairman, Perkins D. G. Co.
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- Spokane—Spokane Merchants Association, 718 Realty Bldg. J. D. Meikle, Mgr.; Pres. J. W. Graham, J. W. Graham & Co.
- Tacoma—Wholesalers Association of Tacoma, 802 Tacoma Bldg. E. B. Lung, Sec'y-Mgr.; Pres., Walter Ely, Henningsen Creamery Co. (B)
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- Green Bay—Kellogg National Bank Bldg. Chris B. Dockery, Mgr.; Chairman, John Rose, Kellogg National Bank.
- Oshkosh—Room 6-7, 76 Main St. Chas. D. Breon, Mgr.; Louis Schriber, Old Commercial Nat. Bank, Chairman.

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